



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

THE HOSPITAL'S PRINCIPAL MISSION IS TO PROMOTE AND ADVANCE THE STATE OF CHILDREN'S HEALTH, FOCUSING ON TERTIARY AND QUATERNARY SPECIALTIES IN PATIENT CARE, RESEARCH, AND EDUCATION

2

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

☐ Yes ☒ No

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

3

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

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 \$ 576,434,222 including grants of \$ 7,223,810) (Revenue \$ 699,846,024)

MEDICAL CARE PROVIDED TO CHILDREN IT IS THE POLICY OF THE HOSPITAL TO STRIVE TO MAINTAIN QUALITY HEALTH CARE DELIVERY IN A MANNER THAT RESPECTS THE DIGNITY OF THE INDIVIDUAL AND FAMILY, REGARDLESS OF THE ABILITY TO PAY UNDER THE HOSPITAL'S POLICY, MEDICAL CARE MAY BE PROVIDED WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES TO PEOPLE WHO ARE UNINSURED OR UNDERINSURED AND CANNOT AFFORD TO PAY FOR THEIR OWN MEDICAL CARE THE HOSPITAL PROVIDES ADDITIONAL COMMUNITY SUPPORT BY PROVIDING CARE TO PATIENTS WHO PARTICIPATE IN PROGRAMS, LIKE MEDI-CAL, THAT DO NOT PAY FULL CHARGES APPROXIMATELY THREE-FOURTHS OF THE HOSPITAL'S PATIENTS ARE COVERED BY MEDI-CAL PROGRAMS

4b

(Code) (Expenses \$ 46,512,826 including grants of \$) (Revenue \$ 27,911,930)

GRADUATE MEDICAL EDUCATION PROVIDES TRAINING AND EDUCATION TO MEDICAL STUDENTS IN LOS ANGELES COUNTY WHO, IN TURN, PROVIDE SERVICES TO PATIENTS AT THE HOSPITAL ALSO, INCLUDES EDUCATION REVENUE FROM THE RESIDENCY AND FELLOWSHIP PROGRAMS AT CHLA THE HOSPITAL SUBSIDIZES A LARGE PART OF THE COST OF TRAINING PHYSICIANS, ALLIED HEALTH PROFESSIONALS, AND OTHER HEALTH CARE WORKERS IN ITS EMERGENCY ROOM, CLINICS, INPATIENT AREAS, AND OTHER PARTS OF ITS FACILITIES

4c

(Code) (Expenses \$ 66,750,105 including grants of \$) (Revenue \$ 8,163,137)

RESEARCH REVENUES FURTHER THE EXEMPT PURPOSE OF CHLA BY PROVIDING THE PATIENTS OF CHLA ACCESS TO NEW TECHNOLOGIES, DISCOVERIES AND MEDICATIONS FOR TREATMENT RESULTS OF THIS RESEARCH IS DISSEMINATED THROUGH PUBLICATIONS IN SCIENTIFIC JOURNALS AND PRESENTATIONS BY THE PRINCIPAL INVESTIGATORS THE HOSPITAL SUBSIDIZES A LARGE PART OF THE COST OF MEDICAL RESEARCH TAKING PLACE IN ITS FACILITIES

(Code) (Expenses \$ 594,741 including grants of \$) (Revenue \$ 679,115)

OTHER PROGRAM SERVICE REVENUES ALSO INCLUDE RESIDENTS HOUSING AND MISCELLANEOUS TUITION AND EDUCATION INCOME

4d

Other program services (Describe in Schedule O)

(Expenses \$ 594,741 including grants of \$) (Revenue \$ 679,115)

4e

Total program service expenses

690,291,894

Form 990 (2012)

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 Yes	
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 Yes	
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)

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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	Yes	
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? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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.	431	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	5,559	
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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
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)?		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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	0	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	69		
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	52		
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	CA
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	LAWRENCE FOUST 4650 SUNSET BLVD LOS ANGELES, CA (323) 361-2425

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

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

Form **990** (2012)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	7,925,334	0	761,290

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization: 760

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 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? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5 Yes	

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
IDEAOLGY ADVERTISING 4223 GLENCOE AVE STE A-127 MARINA DEL REY CA 90292	ADVERTISING SERVICES	3,296,512
CLEO ENTERPRISES LLC 34 CALLE CASTILLO SAN CLEMENTE CA 92673	CONSTRUCTION MGMT	1,089,318
ERNST & YOUNG US LLP PO BOX 846793 LOS ANGELES CA 90084	INTERNAL AUDIT SERVICES	756,812
DELOITTE & TOUCHE LLP PO BOX 7247-6446 PHILADELPHIA PA 19170	AUDIT SERVICES	553,106
THINKBOX TECHNOLOGY GROUP LLC 49 DISCOVERY STE 140 IRVINE CA 92618	VIDEO CONFERENCING SYSTEMS	444,685

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 ►21

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			
	b	Membership dues	1b			
	c	Fundraising events	1c	2,576,885		
	d	Related organizations	1d			
	e	Government grants (contributions)	1e	41,542,241		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	70,916,957		
	g	Noncash contributions included in lines 1a-1f \$		782,771		
	h	Total. Add lines 1a-1f		115,036,083		
Program Service Revenue	2a	PATIENT REVENUE	Business Code 621110	699,846,024	699,846,024	
	b	EDUCATION REVENUE	900099	19,411,930	19,411,930	
	c	GRADUATE MEDICAL EDUCATION	900099	8,500,000	8,500,000	
	d	RESEARCH REVENUE	900099	8,163,137	8,163,137	
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		735,921,091		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,364,455	19,573	1,344,882
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties		223,300		223,300
	6a	Gross rents	(i) Real (ii) Personal			
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)		13,258,247		13,258,247
	8a	Gross income from fundraising events (not including \$ 2,576,885 of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events		-910,213		-910,213
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue	Business Code			
	11a	PARKING GARAGE	812930	2,365,898		2,365,898
	b	CHILD DEVELOPMENT CENTER	624410	1,237,973		1,237,973
	c	RESIDENT'S HOUSING	900099	453,649	453,649	
	d	All other revenue		723,284	225,466	12,035
	e	Total. Add lines 11a-11d		4,780,804		
	12	Total revenue. See Instructions		869,673,767	736,600,206	31,608
					31,608	18,005,870

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.	7,223,810	7,223,810		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	3,924,123	475,352	2,688,880	759,891
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	334,147,572	270,345,594	56,732,629	7,069,349
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	6,327,976	5,310,361	881,216	136,399
9	Other employee benefits.	33,248,231	28,190,318	4,294,239	763,674
10	Payroll taxes.	23,336,818	19,324,188	3,503,186	509,444
11	Fees for services (non-employees):				
a	Management.	200,869	197,658	3,211	
b	Legal.	1,994,820	339,556	1,519,530	135,734
c	Accounting.	406,742	600	406,142	
d	Lobbying.	46,582		46,582	
e	Professional fundraising services. See Part IV, line 17.	348,364			348,364
f	Investment management fees.	1,107,512		1,107,512	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	130,582,215	91,490,324	37,116,505	1,975,386
12	Advertising and promotion.	3,805,480	3,805,480		
13	Office expenses.	115,329,494	111,974,078	2,885,447	469,969
14	Information technology.	28,708,730	21,836,804	6,527,598	344,328
15	Royalties.	197,982	197,982		
16	Occupancy.	5,935,686	3,183,567	1,905,362	846,757
17	Travel.	2,706,324	1,904,640	672,650	129,034
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	2,267,223	1,198,524	678,914	389,785
20	Interest.	24,117,449	22,860,930	1,256,519	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	46,830,318	44,684,755	2,145,563	
23	Insurance.	2,621,174	2,484,611	136,563	
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	HOSPITAL FEE PROGRAM	27,758,940	27,758,940	0	0
b	UTILITIES	10,863,669	10,317,622	545,708	339
c	PROVISION FOR BAD DEBTS	6,219,754	6,219,754	0	0
d	MINOR EQUIPMENT	3,758,407	3,612,101	146,599	-293
e	All other expenses	9,440,916	5,354,345	3,369,584	716,987
25	Total functional expenses. Add lines 1 through 24e.	833,457,180	690,291,894	128,570,139	14,595,147
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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		236,447	1	393,731
	2	Savings and temporary cash investments		9,363,016	2	26,671,972
	3	Pledges and grants receivable, net		87,959,417	3	86,184,393
	4	Accounts receivable, net		95,413,027	4	120,085,788
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		67,723	5	45,149
	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			6	
	7	Notes and loans receivable, net		790,431	7	1,078,627
	8	Inventories for sale or use		6,784,287	8	6,802,184
	9	Prepaid expenses and deferred charges		6,772,050	9	4,554,792
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a1,427,878,882			
	b	Less accumulated depreciation	10b516,791,376	906,924,725	10c	911,087,506
	11	Investments—publicly traded securities		459,213,083	11	507,618,625
	12	Investments—other securities See Part IV, line 11		5,180,564	12	5,121,549
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		122,510,554	15	76,122,279
	16	Total assets. Add lines 1 through 15 (must equal line 34)		1,701,215,324	16	1,745,766,595
Liabilities	17	Accounts payable and accrued expenses		86,453,167	17	83,872,499
	18	Grants payable			18	
	19	Deferred revenue		34,982,750	19	10,468,538
	20	Tax-exempt bond liabilities		487,476,851	20	487,314,409
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	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		42,987,544	25	39,823,805
	26	Total liabilities. Add lines 17 through 25		651,900,312	26	621,479,251
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		774,155,934	27	834,693,032
	28	Temporarily restricted net assets		127,370,121	28	139,982,752
	29	Permanently restricted net assets		147,788,957	29	149,611,560
	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		1,049,315,012	33	1,124,287,344
	34	Total liabilities and net assets/fund balances		1,701,215,324	34	1,745,766,595

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	869,673,767
2	Total expenses (must equal Part IX, column (A), line 25)	2	833,457,180
3	Revenue less expenses Subtract line 2 from line 1	3	36,216,587
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,049,315,012
5	Net unrealized gains (losses) on investments	5	35,374,107
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	3,381,638
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,124,287,344

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? 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		No
2b	Were the organization's financial statements audited by an independent accountant? 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	Yes	
2c	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

Additional Data

Software ID:

Software Version:

EIN: 95-1690977

Name: CHILDREN'S HOSPITAL LOS ANGELES

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RICHARD CORDOVA PRESIDENT & CEO/TRUSTEE	40 00	X		X				773,055	0	53,534
MARY DEE HACKER TRUSTEE/VP PATIENT CARE	40 00	X		X				386,129	0	70,792
HENRI FORD MD TRUSTEE/FAC PHYSICIAN/VP	40 00	X		X				723,281	0	0
STUART SIEGEL MD TRUSTEE/FACULTY PHYSICIAN	40 00	X						417,256	0	0
BRENT POLK MD TRUSTEE/FACULTY PHYSICIAN	40 00	X		X				584,283	0	0
BONNIE MCCLURE TRUSTEE/FUNDRAISER COORD	30 00	X						64,000	0	0
ARNOLD KLEINER TRUSTEE	1 00	X						0	0	0
ELIZABETH LOWE TRUSTEE	1 00	X						0	0	0
CATHY WEISS TRUSTEE	1 00	X						0	0	0
MARION ANDERSON TRUSTEE	1 00	X						0	0	0
JOHN JACK PETTKER TRUSTEE	1 00	X						0	0	0
THEODORE SAMUELS TRUSTEE	1 00	X						0	0	0
BROOKE ANDERSON TRUSTEE	1 00	X						0	0	0
ASHWIN ADARKAR TRUSTEE	1 00	X						0	0	0
JUNE BANTA TRUSTEE	1 00	X						0	0	0
LYNDA BOONE FETTER TRUSTEE	1 00	X						0	0	0
ALEX CHAVES SR TRUSTEE	1 00	X						0	0	0
MARTHA CORBETT TRUSTEE	1 00	X						0	0	0
MARGARET EBERHARDT TRUSTEE	1 00	X						0	0	0
RICHARD FARMAN TRUSTEE	1 00	X						0	0	0
GREGORY T FORGATCH TRUSTEE	1 00	X						0	0	0
PEGGY GALBRAITH TRUSTEE	1 00	X						0	0	0
CARL GRUSHKIN MD TRUSTEE	1 00	X						0	0	0
MARY HART TRUSTEE	1 00	X						0	0	0
MEGAN M HERNANDEZ TRUSTEE	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (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)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARCIA WILSON HOBBS TRUSTEE	1 00	X						0	0	0
GLORIA HOLDEN TRUSTEE	1 00	X						0	0	0
MARK D KRIEGER MD FACULTY PHYSICIAN	40 00	X						161,623	0	0
JAMES HUNT TRUSTEE	1 00	X						0	0	0
WILLIAM HURT TRUSTEE	1 00	X						0	0	0
TODD E MOLZ TRUSTEE	1 00	X						0	0	0
SUSAN MALLORY TRUSTEE	1 00	X						0	0	0
CAROL MANCINO TRUSTEE	1 00	X						0	0	0
ELIZABETH HUNT PRICE TRUSTEE	1 00	X						0	0	0
ALEX MENESES TRUSTEE	1 00	X						0	0	0
CARYLL SPRAGUE MINGST TRUSTEE	1 00	X						0	0	0
MARY ADAMS O'CONNELL TRUSTEE	1 00	X						0	0	0
CHESTER CHET PIPKIN TRUSTEE	1 00	X						0	0	0
RONALD PREISSMAN TRUSTEE	1 00	X						0	0	0
DR CARMEN PULIAFITO TRUSTEE	1 00	X						0	0	0
ALAN PURWIN TRUSTEE	1 00	X						0	0	0
DAYLE ROATH TRUSTEE	1 00	X						0	0	0
KATHY LUPPEN ROSE TRUSTEE	1 00	X						0	0	0
W SCOTT SANFORD TRUSTEE	1 00	X						0	0	0
PAUL SCHAEFFER TRUSTEE	1 00	X						0	0	0
THOMAS SIMMS TRUSTEE	1 00	X						0	0	0
VICTORIA SIMMS PHD TRUSTEE	1 00	X						0	0	0
LISA STEVENS TRUSTEE	1 00	X						0	0	0
JAMES TERRILE TRUSTEE	1 00	X						0	0	0
HON DICKRAM M TEVRIZIAN TRUSTEE	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (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)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOYCE BOGART TRABULUS TRUSTEE	1 00	X						0	0	0
PEGGY TSIANG CHERNG PHD TRUSTEE	1 00	X						0	0	0
ALYCE WILLIAMSON TRUSTEE	1 00	X						0	0	0
ALAN WILSON TRUSTEE	1 00	X						0	0	0
JEFFREY WORTHE TRUSTEE	1 00	X						0	0	0
DICK ZIEGLER TRUSTEE	1 00	X						0	0	0
KEVIN BROGAN TRUSTEE	1 00	X						0	0	0
GARY COHEN TRUSTEE	1 00	X						0	0	0
DEBBIE FREUND TRUSTEE	1 00	X						0	0	0
KATHLEEN MCCARTHY KOSTLAN TRUSTEE	1 00	X						0	0	0
EUGENE MITCHELL TRUSTEE	1 00	X						0	0	0
ELIZABETH RAHN TRUSTEE	1 00	X						0	0	0
STEVEN ROUNDTREE TRUSTEE	1 00	X						0	0	0
ALAN RUDNICK TRUSTEE	1 00	X						0	0	0
RICHARD ZAPANTA MD TRUSTEE	1 00	X						0	0	0
KIMBERLY SHEPHARD TRUSTEE	1 00	X						0	0	0
JAIME LEE CURTIS TRUSTEE	1 00	X						0	0	0
JHEE HUH TRUSTEE	1 00	X						0	0	0
WILLIAM WARDLAW TRUSTEE	1 00	X						0	0	0
DIEMLAN LANNIE TONNU SVP/CFO/TREASURER	40 00			X				560,210	0	101,149
LAWRENCE FOUST SVP-GEN COUNSEL/SEC	40 00			X				476,754	0	81,858
MICHELLE CRONKHITE ASSISTANT SECRETARY	40 00			X				64,435	0	2,212
RODNEY HANNERS SVP OPERATIONS/COO	40 00				X			501,824	0	97,345
CLAUDIA LOONEY SVP-DEVELOPMENT	40 00				X			752,153	0	80,584
GAIL MARGOLIS VP, GOVERNMENT & PUBLIC POLICY	40 00					X		311,657	0	57,315

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KEITH HOBBS VP, ANCILLARY & SUPPORT SERVICES	40 00					X		289,582	0	56,830
DEANN MARSHALL SVP, CHIEF DEV & MKTG OFFICER	40 00					X		446,720	0	72,090
TIM MALSEED AVP, CHIEF APPLICATIONS OFFICER	40 00					X		322,141	0	43,926
MARTY MILLER VP, CHIEF INFORMATION OFFICER	40 00					X		349,392	0	43,655
ROBERT ADLER MD FORMER TRUSTEE/FACULTY PHYSICIAN	40 00						X	306,157	0	0
ROBERT KAY MD FORMER TRUSTEE/FACULTY PHYSICIAN	40 00						X	153,812	0	0
ROBERTA WILLIAMS MD FORMER TRUSTEE/FACULTY PHYSICIAN	40 00						X	280,870	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 CHILDREN'S HOSPITAL LOS ANGELES	Employer identification number 95-1690977
---	--

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - 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?

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of 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 IIISupport Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
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

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 CHILDREN'S HOSPITAL LOS ANGELES	Employer identification number 95-1690977
---	--

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)		46,582													
c Total lobbying expenditures (add lines 1a and 1b)		46,582													
d Other exempt purpose expenditures		690,245,312													
e Total exempt purpose expenditures (add lines 1c and 1d)		690,291,894													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000													
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000													
h Subtract line 1g from line 1a If zero or less, enter -0-		0													
i Subtract line 1f from line 1c If zero or less, enter -0-		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	46,205	61,012	49,816	46,582	203,615
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)		(b)
		Yes	No	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)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization CHILDREN'S HOSPITAL LOS ANGELES	Employer identification number 95-1690977
--	---

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

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

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

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

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part 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	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	528,012,698	542,188,938	495,093,405	471,903,453	592,416,535
b Contributions	49,282,881	39,523,985	32,136,775	30,649,271	32,922,898
c Net investment earnings, gains, and losses	46,289,884	-69,784	63,246,838	45,036,808	-81,655,753
d Grants or scholarships					
e Other expenditures for facilities and programs	53,191,399	53,630,441	48,288,079	52,496,127	71,780,227
f Administrative expenses					
g End of year balance	570,394,064	528,012,698	542,188,939	495,093,405	471,903,453

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

a Board designated or quasi-endowment ▶ 71 080 %

b Permanent endowment ▶ 26 230 %

c Temporarily restricted endowment ▶ 2 690 %

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

(i) unrelated organizations

(ii) related organizations

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

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

☐ Yes ☐ No

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		25,551,282		25,551,282
b Buildings		1,035,909,360	259,165,106	776,744,254
c Leasehold improvements				
d Equipment		321,540,907	252,399,495	69,141,412
e Other		44,877,333	5,226,775	39,650,558
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				911,087,506

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	
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	
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	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
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	

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
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	ENDOWMENT FUNDS ARE INTENDED TO BE USED ACCORDING TO THE DONOR'S WISHES WHICH VARY FROM ONGOING PROGRAM SUPPORT, TO SPECIFIC RESEARCH, TO BUILDING OR ASSET ACQUISITION, OR SUPPORT OF ACADEMIC CHAIRS WITHIN THE ORGANIZATION
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE HOSPITAL ACCOUNTS FOR INCOME TAXES IN ACCORDANCE WITH FASB ASC 740, INCOME TAXES. FASB ASC 740 PRESCRIBES A COMPREHENSIVE MODEL FOR HOW A COMPANY SHOULD RECOGNIZE, MEASURE, PRESENT, AND DISCLOSE IN ITS CONSOLIDATED FINANCIAL STATEMENTS UNCERTAIN TAX POSITIONS THAT THE COMPANY HAS TAKEN, OR EXPECTS TO TAKE, ON A TAX RETURN. DURING THE YEARS ENDED JUNE 30, 2013 AND 2012, THE HOSPITAL DID NOT RECORD ANY LIABILITY FOR UNRECOGNIZED TAX BENEFITS

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	(b) Event #2	(c) Other events	(d) Total events
		NOCHE DE NINOS (event type)	(event type)	(total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	2,792,385		2,792,385
	2	Less Contributions . . .	2,576,885		2,576,885
	3	Gross income (line 1 minus line 2)	215,500		215,500
Direct Expenses	4	Cash prizes			
	5	Noncash prizes . . .			
	6	Rent/facility costs . . .	151,226		151,226
	7	Food and beverages .	243,772		243,772
	8	Entertainment	342,650		342,650
	9	Other direct expenses .	388,065		388,065
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine line 3, column (d), and line 10 ▶			

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
EXPLANATION OF FUNDRAISING PAYMENTS	SCHEDULE G, PART I, LINE 2B, COLUMN (V)	FUNDS SUBMITTED DIRECTLY TO CHILDREN'S MIRACLE NETWORK BY SPONSOR PARTNERS ARE REMITTED TO MEMBER HOSPITALS ON A QUARTERLY BASIS BY CHILDREN'S MIRACLE NETWORK FUNDS REMITTED DIRECTLY TO MEMBER HOSPITALS AS A RESULT OF A CHILDREN'S MIRACLE NETWORK FUNDRAISING PROGRAM ARE REPORTED BACK TO CHILDREN'S MIRACLE NETWORK FOR THE PURPOSES TRACKING FUNDRAISING RESULTS BUT THOSE ARE DEPOSITED BY THE MEMBER HOSPITAL MEMBER HOSPITALS PAY AN ANNUAL MEMBERSHIP FEE, WHICH DIFFERS FOR EACH MEMBER HOSPITAL AND DEPENDS LARGELY ON ITS MARKET TERRITORY POPULATION THESE FEES ARE ANALOGOUS TO FRANCHISE FEES, WHERE HOSPITALS "OWN" MARKET TERRITORY IN WHICH THEY FUNDRAISE USING THE CHILDREN'S MIRACLE NETWORK BRAND CHILDREN'S MIRACLE NETWORK FURNISHES FUNDRAISING MATERIALS THAT ARE ESSENTIAL TO THE CAMPAIGNS SUCH MATERIALS INCLUDE THE PAPER ICONS, COLLATERAL MATERIALS, AND COIN CANNISTERS MATERIALS ARE SENT DIRECTLY TO LOCATIONS OF SPONSOR PARTNERS (SUCH AS AN INDIVIDUAL COSTCO WAREHOUSE) IT IS THE RESPONSIBILITY OF EACH HOSPITAL TO PAY FOR THE COST OF THESE MATERIALS MATERIALS COSTS ARE BILLED SEPARATE FROM THE ANNUAL MEMBERSHIP FEE AND ARE SENT INTERMITTENTLY DEPENDING ON THE FREQUENCY OF THE CAMPAIGNS

Schedule G (Form 990 or 990-EZ) 2012

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
CHILDREN'S HOSPITAL LOS ANGELES

Employer identification number
95-1690977

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☒ 100% ☐ 150% ☐ 200% ☐ Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 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"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	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 eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b		No
b	If "Yes," did the organization make it available to the public?	5c		
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.	6a	Yes	
		6b	Yes	

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)	1	1,100	2,700,000		2,700,000	0 330 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	1	1,100	2,700,000		2,700,000	0 330 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	68	683,109	6,776,847		6,776,847	0 820 %
f Health professions education (from Worksheet 5)	21	25,707	66,681,301	45,945,427	20,735,874	2 510 %
g Subsidized health services (from Worksheet 6)	2	80	4,254,500		4,254,500	0 510 %
h Research (from Worksheet 7)	1	0	96,736,276	65,436,276	31,300,000	3 780 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	7	41,481	557,612		557,612	0 070 %
j Total. Other Benefits	99	750,377	175,006,536	111,381,703	63,624,833	7 690 %
k Total. Add lines 7d and 7j	100	751,477	177,706,536	111,381,703	66,324,833	8 020 %

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
1Physical improvements and housing	1	7,500	40,000		40,000	0 %
2Economic development						0 %
3Community support						0 %
4Environmental improvements						0 %
5Leadership development and training for community members						0 %
6Coalition building						0 %
7Community health improvement advocacy	2	550,050	1,220,000		1,220,000	0 150 %
8Workforce development	1	225	322,000		322,000	0 040 %
9Other						0 %
10Total	4	557,775	1,582,000		1,582,000	0 190 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

6,219,754

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

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

2,282,110

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

2,282,110

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

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

9b

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

9b

Yes

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				
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 HOSPITAL LOS ANGELES 4650 SUNSET BLVD LOS ANGELES, CA 900270982	X	X	X	X		X	X			

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)

CHILDREN'S HOSPITAL LOS ANGELES

Name of hospital facility or facility reporting group

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 beginning 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 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
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 <u>12</u>		
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	Yes
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	No
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
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	No
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	No
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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>350 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
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	Yes
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? If "Yes," check all actions in which the hospital facility or a third party engaged		17	No
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? If "No," indicate why	Yes	
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)		
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? If "Yes," explain in Part VI		No
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? If "Yes," explain in Part VI		No

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?

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the 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
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 6219754
		PART II THE HOSPITAL SPONSORS VARIOUS COMMUNITY SERVICES TO BENEFIT THE PHYSICALLY, MENTALLY AND GENETICALLY DISABLED AS PART OF ITS CHARITABLE MISSION THESE SERVICES INCLUDE PARENTAL COUNSELING, EDUCATIONAL SEMINARS, FAMILY SUPPORT GROUPS, AND AN OUTREACH ORGANIZATION FOR FAMILIES ADMINISTERED BY THE HOSPITAL IN AN AGENCY RELATIONSHIP AND FUNDED BY THE STATE OF CALIFORNIA ADDITIONALLY, A LARGE NUMBER OF HEALTH-RELATED EDUCATIONAL PROGRAMS ARE PROVIDED FOR THE BENEFIT OF THE COMMUNITY, INCLUDING HEALTH ENHANCEMENTS AND WELLNESS, TELEPHONE INFORMATION SERVICES, AND PROGRAMS DESIGNED TO IMPROVE THE GENERAL STANDARDS OF THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HOSPITAL RECOGNIZES PATIENT SERVICE REVENUE ON THE BASIS OF CONTRACTUAL RATES FOR THE SERVICES RENDERED FOR THOSE PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE FOR UNINSURED PATIENTS WHO DO NOT QUALIFY FOR CHARITY CARE, THE HOSPITAL RECOGNIZES REVENUE ON THE BASIS OF ITS STANDARD RATES (OR ON THE BASIS OF DISCOUNTED RATES, IF NEGOTIATED OR PROVIDED BY POLICY) PATIENTS COVERED BY INSURANCE, BUT REQUIRED TO PAY DEDUCTIBLES OR COPAYMENTS, ARE CONSIDERED TO BE UNINSURED FOR THOSE PORTIONS BASED ON HISTORICAL EXPERIENCE, THE HOSPITAL BELIEVES THAT A SIGNIFICANT PORTION OF ITS PATIENT ACCOUNTS WILL BE UNCOLLECTIBLE THUS, IT RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS RELATED TO PATIENT ACCOUNTS IN THE PERIOD THE SERVICES ARE PROVIDED BAD DEBTS ARE NOT INCLUDED AS COMMUNITY BENEFITS AND CONTAIN -0- CHARITY COST BAD DEBTS ARE CALCULATED BASED ON UNCOLLECTIBLE ACCOUNTS NET OF CONTRACTUALS
		PART III, LINE 8 CHLA IS NOT INCLUDING ANY MEDICARE SHORTFALL AS PART OF ITS COMMUNITY BENEFIT FURTHER, CHLA USES FEDERAL MEDICARE COST ALLOCATION METHODOLOGY, AS REPORTED IN ITS MEDICARE COST REPORT, TO DETERMINE THE ALLOWABLE COSTS OF CARE RELATING TO MEDICARE PAYMENTS RECEIVED

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE HOSPITAL'S POLICY STATES THAT IF THE PATIENT/GUARANTOR IS UNABLE TO PAY FOR SERVICES DUE TO THEIR CURRENT FINANCIAL SITUATION, THEY COULD BE ELIGIBLE FOR UNCOMPENSATED CARE, IN WHICH CASE THE HOSPITAL'S APPLICABLE POLICY AND PROCEDURE IS FURTHER REFERENCED IF THE PATIENT/GUARANTOR DOES NOT QUALIFY, THE HOSPITAL FOLLOWS ALL APPLICABLE FEDERAL AND STATE GUIDELINES FOR DEBT COLLECTION, INCLUDING THE REQUIREMENT OF FAIR TREATMENT, THE PROHIBITION OF MAKING FALSE STATEMENTS AND RESTRICTIONS ON THE TIME OF DAY THAT DEBT COLLECTORS MAY CONTACT THE DEBTOR
CHILDREN'S HOSPITAL LOS ANGELES		PART V, SECTION B, LINE 3 THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED BY THE ADVANCEMENT PROJECT HEALTHY CITY, BIEL CONSULTING AND THE OFFICE OF COMMUNITY AFFAIRS AT CHILDREN'S HOSPITAL LOS ANGELES OTHER INSTITUTIONS, ORGANIZATIONS AND AGENCIES-AS WELL AS MEMBERS OF THE CHILDREN'S HOSPITAL COMMUNITY BENEFIT ADVISORY COMMITTEE-ALSO CONTRIBUTED TIME AND RESOURCES TO ASSIST WITH THIS ASSESSMENT THE ADVANCEMENT PROJECT HEALTHY CITY IS AN INFORMATION AND ACTION RESOURCE ORGANIZATION THAT CREATED THE FOCUSED DATA MAPS USED IN THE ASSESSMENT MELISSA BIEL OF BIEL CONSULTING CONDUCTED THE COMMUNITY HEALTH NEEDS ASSESSMENT BIEL CONSULTING IS AN INDEPENDENT CONSULTING FIRM THAT WORKS WITH HOSPITALS, CLINICS AND COMMUNITY-BASED NONPROFIT ORGANIZATIONS DR BIEL HAS OVER 10 YEARS OF EXPERIENCE CONDUCTING HOSPITAL COMMUNITY HEALTH NEEDS ASSESSMENTS SOURCES OF DATA INCLUDE THE U S CENSUS 2010 DECENNIAL CENSUS AND AMERICAN COMMUNITY SURVEY, CALIFORNIA HEALTH INTERVIEW SURVEY, CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT, LOS ANGELES COUNTY HEALTH SURVEY, LOS ANGELES HOMELESS SERVICES AUTHORITY, UNIFORM DATA SET, CDC NATIONAL HEALTH STATISTICS, NATIONAL CANCER INSTITUTE, U S DEPARTMENT OF EDUCATION, AND OTHERS WHEN PERTINENT, THESE DATA SETS ARE PRESENTED IN THE CONTEXT OF CALIFORNIA STATE TARGETED INTERVIEWS WERE USED TO GATHER INFORMATION AND OPINIONS FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL TWENTY INTERVIEWS WERE COMPLETED DURING MARCH AND APRIL 2013 INTERVIEWEES INCLUDED INDIVIDUALS WHO ARE LEADERS AND REPRESENTATIVES OF MEDICALLY UNDERSERVED, LOW-INCOME, MINORITY AND CHRONIC DISEASE POPULATIONS ADDITIONALLY, INPUT WAS OBTAINED FROM LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH OFFICIALS FOR THE INTERVIEWS, COMMUNITY STAKEHOLDERS IDENTIFIED BY KEY DEPARTMENTS AT CHILDREN'S HOSPITAL LOS ANGELES WERE CONTACTED AND ASKED TO PARTICIPATE IN THE NEEDS ASSESSMENT INTERVIEWEES INCLUDED INDIVIDUALS WHO ARE LEADERS AND REPRESENTATIVES OF MEDICALLY UNDERSERVED, LOW-INCOME, MINORITY AND CHRONIC DISEASE POPULATIONS, OR REGIONAL, STATE OR LOCAL HEALTH OR OTHER DEPARTMENTS OR AGENCIES THAT HAVE "CURRENT DATA OR OTHER INFORMATION RELEVANT TO THE HEALTH NEEDS OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY "

Identifier	ReturnReference	Explanation
CHILDREN'S HOSPITAL LOS ANGELES		PART V, SECTION B, LINE 7 AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), HEALTH AND SOCIAL NEEDS WERE IDENTIFIED THROUGH AN EXAMINATION OF PRIMARY AND SECONDARY DATA AND THEN PRIORITIZED THROUGH A STRUCTURED PROCESS USING THE RELATIVE WORTH METHOD THIS METHOD IS A RANKING STRATEGY WHERE EACH PARTICIPANT IN THE PROCESS RECEIVED A FIXED NUMBER OF POINTS TO RANK EACH IDENTIFIED NEED THE PRIORITY AREAS THAT ARE BEING ADDRESSED ARE ACCESS TO CARE, HEALTH PROMOTION AND PREVENTION, OBESITY AND WORKFORCE DEVELOPMENT OTHER HEALTH AND SOCIAL NEEDS THAT WERE IDENTIFIED, SUCH AS MENTAL HEALTH, CHRONIC DISEASE CONDITIONS, COMMUNITY SAFETY, AND EARLY CHILDHOOD DEVELOPMENT, ARE ALREADY BEING ADDRESSED BY OTHER LOCAL AND REGIONAL COMMUNITY ORGANIZATIONS
CHILDREN'S HOSPITAL LOS ANGELES		PART V, SECTION B, LINE 19D THE HOSPITAL WILL CHARGE THE GREATER OF THE MAXIMUM AMOUNTS THAT CAN BE CHARGED TO FAP-ELIGIBLE INDIVIDUALS DETERMINED BY THE FOLLOWING METHODS - LOWEST NEGOTIATED COMMERCIAL INSURANCE RATE - AVERAGE OF ITS THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES - MEDICARE RATES

Identifier	ReturnReference	Explanation
		PART I, LINE 7B IN OCTOBER 2010, CMS APPROVED LEGISLATION ENACTED BY THE STATE OF CALIFORNIA THAT PROVIDED FOR SUPPLEMENTAL MEDI-CAL PAYMENTS TO BE PAID TO CERTAIN HOSPITALS FROM FUNDS COLLECTED FROM PARTICIPATING HOSPITALS UNDER THE STATE'S QUALITY ASSURANCE FEE PROGRAM SUCH AMOUNTS WERE ALLOCATED AND PAID TO CHLA BASED ON PRIOR YEAR PATIENT DATA, WHICH INCLUDES MEDI-CAL PATIENTS IF THESE AMOUNTS HAD NOT BEEN INCLUDED, THE HOSPITAL WOULD HAVE REPORTED A TOTAL COMMUNITY BENEFIT PERCENTAGE IN EXCESS OF 21%
		PART VI, LINE 2 CHILDREN'S HOSPITAL LOS ANGELES RECOGNIZES THE IMPORTANCE OF KNOWING AND UNDERSTANDING THE KEY INDICATORS OF ITS COMMUNITY'S HEALTH AND THE ISSUES THAT AFFECT PATIENTS, PARENTS, AND COMMUNITY ORGANIZATIONS THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED BY THE ADVANCEMENT PROJECT HEALTHY CITY, BIEL CONSULTING AND THE OFFICE OF COMMUNITY AFFAIRS AT CHILDREN'S HOSPITAL LOS ANGELES OTHER INSTITUTIONS, ORGANIZATIONS AND AGENCIES-AS WELL AS MEMBERS OF THE CHILDREN'S HOSPITAL COMMUNITY BENEFIT ADVISORY COMMITTEE- ALSO CONTRIBUTED TIME AND RESOURCES TO ASSIST WITH THIS ASSESSMENT CONDUCTING THE COMMUNITY HEALTH NEEDS ASSESSMENT IS ONE OF THE MANY WAYS THAT CHILDREN'S HOSPITAL LOS ANGELES STRENGTHENS ITS COMMITMENT TO UNDERSTANDING THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES NEEDS ASSESSMENTS ARE THE PRIMARY TOOLS USED TO DETERMINE A HOSPITAL'S "COMMUNITY BENEFIT" PLANS, THAT IS, HOW THE HOSPITAL WILL ADDRESS UNMET COMMUNITY NEEDS THROUGH THE PROVISION OF COMMUNITY HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE OFFICE OF COMMUNITY AFFAIRS AT CHILDREN'S HOSPITAL LOS ANGELES HELPS FAMILIES ACCESS AVAILABLE COMMUNITY RESOURCES, INCLUDING LOW-COST HEALTH INSURANCE COVERAGE AND HEALTH PROGRAMS IN FY 2013, THE OFFICE OF COMMUNITY AFFAIRS ASSISTED MORE THAN 350 CHILDREN AND FAMILIES IN ACCESSING NEW HEALTH INSURANCE COVERAGE AND REACHED MORE THAN 47,000 CHILDREN AND FAMILIES THROUGH OUTREACH CAMPAIGNS PROMOTING AWARENESS OF AVAILABLE ACCESS TO HEALTH PROGRAMS
		PART VI, LINE 4 OUR HOSPITAL SERVICES REACH THOUSANDS ACROSS LOS ANGELES COUNTY--A REGION THAT SPANS 4,000 SQUARE MILES AND INCLUDES VAST URBAN COMMUNITIES, SUBURBAN AREAS AND RURAL NEIGHBORHOODS LOS ANGELES COUNTY IS HOME TO MORE THAN 10 MILLION RESIDENTS, WHO COME FROM AROUND THE WORLD AND SPEAK MORE THAN 140 LANGUAGES IT IS THE MOST POPULOUS COUNTY IN THE NATION--AND ONE OF THE MOST ETHNICALLY AND RACIALLY DIVERSE THE HOSPITAL IS PHYSICALLY LOCATED IN THE METRO AREA OF THE CITY OF LOS ANGELES IT IS A REGIONAL, TERTIARY HEALTHCARE FACILITY THAT SERVES PATIENTS THROUGHOUT L A COUNTY AND BEYOND AND IS THE ONLY LEVEL 1 PEDIATRIC TRAUMA CENTER BETWEEN SAN FRANCISCO AND SAN DIEGO

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 AT CHILDREN'S HOSPITAL LOS ANGELES, PROVIDING HEALTH CARE TO PATIENTS AND THEIR FAMILIES DOESN'T STOP AT THE HOSPITAL WALLS THE STAFF IS ACTIVELY ENGAGED WITHIN THE COMMUNITY, PROVIDING PREVENTATIVE SERVICES AND ACCESS TO HEALTH CARE --TRANSITIONING FROM PEDIATRIC TO ADULT CARE - IN 2002, A CONSENSUS DOCUMENT BETWEEN THE AMERICAN ACADEMY OF PEDIATRICS, THE AMERICAN ACADEMY OF FAMILY PHYSICIANS AND THE AMERICAN COLLEGE OF PHYSICIANS-AMERICAN SOCIETY OF INTERNAL MEDICINE STATED THAT, "THE GOAL OF TRANSITION IN HEALTH CARE FOR YOUNG ADULTS WITH SPECIAL HEALTH CARE NEEDS IS TO MAXIMIZE LIFELONG FUNCTIONING AND POTENTIAL THROUGH THE PROVISION OF HIGH-QUALITY, DEVELOPMENTALLY APPROPRIATE HEALTH CARE SERVICES THAT CONTINUE UNINTERRUPTED AS THE INDIVIDUAL MOVES FROM ADOLESCENCE TO ADULTHOOD " IN JULY 2012, THE WHH FOUNDATION SUPPORTED THE LAUNCH OF AN EFFORT TO ESTABLISH A CHILDREN'S HOSPITAL LOS ANGELES ADOLESCENT AND YOUNG ADULT (AYA) TRANSITION CORE INFRASTRUCTURE THE INFRASTRUCTURE IS DESIGNED TO SUPPORT THE HOSPITAL'S EXISTING AND EMERGING EFFORTS TO PROVIDE HIGH-QUALITY, COORDINATED AND COMPREHENSIVE TRANSITION SERVICES TO ALL PATIENTS LIVING WITH CHRONIC ILLNESS AND DISABILITY -- AUTISM WARM PHONE LINE - THE BOONE FETTER CLINIC AT CHILDREN'S HOSPITAL LOS ANGELES PROVIDES COMPREHENSIVE DIAGNOSTIC SERVICES FOR CHILDREN WITH AUTISM AND OTHER NEURODEVELOPMENTAL AND BEHAVIORAL DISORDERS IT ALSO PROVIDES EARLY SCREENING AND IDENTIFICATION, AS WELL AS ONGOING MEDICAL FOLLOW-UP AND CARE COORDINATION IN ADDITION, THE CLINIC SERVES AS A VALUABLE RESOURCE TO OUR COMMUNITY THROUGH ITS AUTISM WARM PHONE LINE THE PHONE LINE HELPS FAMILIES FIND ANSWERS TO QUESTIONS ABOUT THEIR CHILDREN'S HEALTH NEEDS AND SERVICES AVAILABLE, AND ALSO TO NAVIGATE VARIOUS HEALTH SYSTEMS IN LOS ANGELES COUNTY -- FAITH-BASED PARTNERSHIPS FOR INJURY PREVENTION BUCKLE UP FOR LIFE - THE INJURY PREVENTION PROGRAM HAS CONDUCTED THE BUCKLE UP FOR LIFE PROGRAM AT 14 CHURCHES SINCE 2010 THROUGH 136 EVENTS, WORKSHOPS AND PROGRAMS CONDUCTED AT VARIOUS FAITH-BASED SITES AND COMMUNITY VENUES, THE PROGRAM HAS PROVIDED VALUABLE EDUCATION ON CHILD PASSENGER SAFETY, PEDESTRIAN SAFETY, SAFE DRIVING, HOME SAFETY AND DISASTER PREPAREDNESS THIS PAST YEAR, MORE THAN 2,000 FAITH-BASED COMMUNITY MEMBERS AND 3,000 FAMILIES RECEIVED INJURY PREVENTION EDUCATION FROM CHILDREN'S HOSPITAL STAFF MEMBERS IN THIS SAME PERIOD, MORE THAN 700 CHILD RESTRAINTS WERE INSPECTED, 344 CHILD RESTRAINTS WERE DISTRIBUTED AND 141 WERE REPLACED - DEMONSTRATING THE IMPACT OF THESE CHILD PASSENGER SAFETY EFFORTS IN LOS ANGELES COUNTY --NICCU FAMILY SUPPORT PROGRAM - THE NEWBORN AND INFANT CRITICAL CARE UNIT (NICCU) AT CHILDREN'S HOSPITAL LOS ANGELES IS A DESIGNATED CALIFORNIA CHILDREN'S SERVICES REGIONAL CENTER IN COLLABORATION WITH THE MARCH OF DIMES, CHILDREN'S HOSPITAL LOS ANGELES PROVIDES A PERSONALIZED FAMILY SUPPORT PROGRAM FOR FAMILIES IN OUR NICCU --TEEN IMPACT AND FAMILY SUPPORT PROGRAM - SINCE 1988, THE TEEN IMPACT AND FAMILY SUPPORT PROGRAM AT CHILDREN'S HOSPITAL LOS ANGELES HAS OFFERED GROUP-BASED PSYCHOLOGICAL, EMOTIONAL AND SOCIAL SUPPORT SERVICES FOR YOUNG PEOPLE DIAGNOSED WITH CANCER OR A BLOOD DISEASE, AS WELL AS THEIR PARENTS AND SIBLINGS IN THE PAST YEAR, THE PROGRAM REACHED 100 UNIQUE FAMILIES, INCLUDING 30 FIRST-TIME PARTICIPANTS FIFTEEN UNIQUE INPATIENTS PARTICIPATED IN THE WEEKLY INPATIENT GROUP, AND 45 TEENS TOOK PART IN THE THREE-DAY RETREAT HALF OF THESE RETREAT PARTICIPANTS WERE NEW TO TEEN IMPACT THE PROGRAM ALSO TRAINED 15 YOUNG-ADULT SURVIVOR COUNSELORS -- LANGUAGE INTERPRETATION SERVICES - CHILDREN'S HOSPITAL LOS ANGELES WAS ONE OF THE FIRST HOSPITALS IN THE NATION TO INSTITUTE A FORMAL DIVERSITY SERVICES DEPARTMENT WITH SERVICES THAT MEET THE CULTURALLY AND LINGUISTICALLY APPROPRIATE STANDARDS (CLAS) OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF MINORITY HEALTH THIS PAST YEAR, THE TEAM OVERALL PROVIDED NEARLY 37,000 IN-PERSON VISITS FOR LANGUAGE SERVICES ACROSS OUR CLINICS, THE HOSPITAL AND THE EMERGENCY DEPARTMENT THE TEAM PROVIDED MORE THAN 67,400 MINUTES OF LANGUAGE SERVICES VIA VIDEO REMOTE, AND MORE THAN 267,000 MINUTES BY TELEPHONE -- PROJECT NATEEN L A FATHERS PROGRAM - PROJECT NATEEN'S L A FATHERS PROGRAM IS PART OF THE DIVISION OF ADOLESCENT AND YOUNG ADULT MEDICINE AT CHILDREN'S HOSPITAL LOS ANGELES THE PROGRAM WAS DEVELOPED TO ADDRESS THE ENVIRONMENTAL AND SOCIO-ECONOMIC FACTORS THAT CONTRIBUTE TO THE VARIOUS DIFFICULTIES FACED BY YOUNG FATHERS IN LOS ANGELES-SPECIFICALLY YOUNG FATHERS AGES 15 THROUGH 25 IN THE METROPOLITAN AREA OF THE CITY AVERAGE INCOME LEVELS IN THIS COMMUNITY ARE THE SECOND-LOWEST IN ALL OF LOS ANGELES COUNTY THE COMMUNITY ALSO HAS A HIGH RATE OF CRIME AND GANG ACTIVITY THROUGH PROJECT NATEEN, PREGNANT AND PARENTING TEENS RECEIVE A FULL SPECTRUM OF SUPPORTIVE SERVICES, INCLUDING HEALTH EDUCATION, PARENT EDUCATION AND COMPREHENSIVE CASE MANAGEMENT AND COUNSELING --RISK REDUCTION PROGRAM - HOUSED IN THE DIVISION OF ADOLESCENT AND YOUNG ADULT MEDICINE AT CHILDREN'S HOSPITAL LOS ANGELES, THE RISK REDUCTION PROGRAM (RRP) IS ONE OF THE LARGEST YOUTH-SPECIFIC HIV PROGRAMS IN THE COUNTRY THE PROGRAM PROVIDES STATE-OF THE-ART COMPREHENSIVE HEALTH AND PSYCHOSOCIAL TREATMENT FOR YOUTHS THROUGH AGE 24 WHO ARE LIVING WITH HIV, AS WELL AS SPECIALIZED HIV PREVENTION SERVICES FOR YOUTH RRP ALSO PROVIDES RESEARCH AND CAPACITY-BUILDING SERVICES FOR YOUNG GAY AND BISEXUAL MEN, TRANSGENDER YOUTH AND YOUNG TRANSGENDER PERSONS OF COLOR -- DETECTING EARLY CHILDHOOD HEARING LOSS - A COLLABORATIVE STUDY BETWEEN THE SABAN RESEARCH INSTITUTE OF CHILDREN'S HOSPITAL LOS ANGELES, THE JOHN TRACY CLINIC AND THE UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA) DAVID GEFFEN SCHOOL OF MEDICINE FOUND THAT HEARING SCREENINGS CONDUCTED DURING ROUTINE DOCTOR VISITS ARE FEASIBLE AND EFFECTIVE IN DETECTING POSTNATAL HEARING LOSS DATA FOR THE STUDY WAS GATHERED THROUGH THE BABY SOUND CHECK PROJECT, A THREE-YEAR PILOT PROGRAM LAUNCHED IN 2007 BY THE JOHN TRACY CLINIC TO FILL CRITICAL GAPS IN THE EARLY DETECTION AND TREATMENT OF HEARING LOSS THE STUDY ESTABLISHED PROTOCOLS FOR DOCTORS AND MEDICAL ASSISTANTS IN FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs) IN LOS ANGELES TO CONDUCT HEARING SCREENINGS ON CHILDREN 0-3 YEARS OLD DURING ROUTINE WELL-CHILD CHECKS
		PART VI, LINE 6 CHILDREN'S HOSPITAL LOS ANGELES IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	CA

**Grants and Other Assistance to Organizations,
Governments and Individuals in the United States**
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

2012

Open to Public Inspection

Name of the organization
CHILDREN'S HOSPITAL LOS ANGELES

Employer identification number
95-1690977

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

[illegible]

- | | | | |
|----------|---|---|----------|
| 2 | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table | | <u>1</u> |
| 3 | Enter total number of other organizations listed in the line 1 table | | 0 |

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

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

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 GRANTS WILL ONLY BE MADE TO 501(C)(3) ORGANIZATIONS TO ENSURE THE FUNDS WILL BE USED PROPERLY

OMB No 1545-0047

Open to Public Inspection

▶ **Attach to Form 990.** ▶ **See separate instructions.**

95-1690977

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
	PART I, LINE 1A	HENRI FORD RECEIVED A HOUSING ALLOWANCE OF \$121,406 IN CALENDAR YEAR 2012, WHICH WAS TREATED AS TAXABLE COMPENSATION. RICHARD CORDOVA HAS A DISCRETIONARY SPENDING ACCOUNT OF \$36,000 FOR CALENDAR YEAR 2012. THIS ACCOUNT IS TO BE USED FOR CHLA BUSINESS ACTIVITIES IN HIS ROLE AS CEO. THIS AMOUNT WAS REPORTED AS TAXABLE INCOME ON HIS FORM W-2.
	PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN CHLA'S 457(F) PLAN, A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. AMOUNTS DEFERRED UNDER SECTION 457(F) PLAN ARE SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE. THESE AMOUNTS WILL BE REPORTED AS COMPENSATION FOR THE YEAR PAID. AMOUNTS RECOGNIZED AS TAXABLE COMPENSATION ON THE EMPLOYEE'S 2012 FORM W-2 REFLECT PAYMENTS RECEIVED BY THE EMPLOYEE DURING CALENDAR YEAR 2012 THAT WERE PREVIOUSLY REPORTED AS DEFERRED COMPENSATION IN PRIOR YEAR FORM 990S: DIEMLAN (LANNIE) TONNU - \$51,910; CLAUDIA LOONEY - \$349,672; LAWRENCE FOUST - \$57,206; MARY DEE HACKER - \$54,654; DEANN MARSHALL - \$39,645; TIM MALSEED - \$21,759; MARTY MILLER - \$18,951.
	PART I, LINE 7	CHLA MAINTAINS AN EXECUTIVE BONUS PROGRAM THAT AWARDS INCENTIVE COMPENSATION BASED UPON ACHIEVEMENT OF ORGANIZATIONAL OBJECTIVES INCLUDING HEALTH OUTCOMES, QUALITY IMPROVEMENT, LEVEL OF COMMUNITY BENEFIT PROVIDED AND OTHER MEASURES AS DETERMINED ANNUALLY BY THE COMPENSATION COMMITTEE. ALTHOUGH THE AMOUNT OF BONUS INCENTIVES THAT EACH EMPLOYEE MAY BE GRANTED IS BASED ON A FIXED FORMULA, THE COMPENSATION COMMITTEE HAS THE DISCRETION TO DETERMINE THE EXTENT OF THE GOALS THAT HAVE BEEN MET BY EACH EMPLOYEE. PART VII, LINE 5. PURSUANT TO THE AFFILIATE AGREEMENT WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA ("USC"), AN UNRELATED ORGANIZATION, THE FOLLOWING COMPENSATION AMOUNTS WERE PAID TO THE FOLLOWING INDIVIDUALS: USC WAS SUBSEQUENTLY REIMBURSED BY CHLA FOR THE AMOUNTS: ROBERT ADLER, M.D. (FORMER) - \$306,157; HENRI FORD, M.D. - \$601,875; ROBERT KAY, M.D. (FORMER) - \$153,812; STUART E. SIEGEL, M.D. - \$417,256; ROBERTA G. WILLIAMS, M.D. (FORMER) - \$280,870; BRENT POLK, M.D. - \$584,283; MARK D. KRIEGER, M.D. - \$161,623. IN ADDITION TO HER FUNDRAISING ACTIVITIES, BONNIE MCCLURE ALSO ADMINISTERS THE HOSPITAL'S PHOTOGRAPHIC AND MEMORABILIA ARCHIVES AND ADMINISTERS THE TOUR DOCENT PROGRAM. SHE WAS COMPENSATED \$64,000 FOR HER SERVICES.

Software ID:
Software Version:
EIN: 95-1690977
Name: CHILDREN'S HOSPITAL LOS ANGELES

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
RICHARD CORDOVA	(i) (ii)	637,836 0	100,000 0	35,219 0	7,500 0	46,034 0	826,589 0	0 0
MARY DEE HACKER	(i) (ii)	243,866 0	59,340 0	82,923 0	48,226 0	22,566 0	456,921 0	54,654 0
HENRI FORD MD	(i) (ii)	601,875 0	0 0	121,406 0	0 0	0 0	723,281 0	0 0
STUART SIEGEL MD	(i) (ii)	417,256 0	0 0	0 0	0 0	0 0	417,256 0	0 0
BRENT POLK MD	(i) (ii)	584,283 0	0 0	0 0	0 0	0 0	584,283 0	0 0
MARK D KRIEGER MD	(i) (ii)	161,623 0	0 0	0 0	0 0	0 0	161,623 0	0 0
DIEMLAN LANNIE TONNU	(i) (ii)	382,690 0	91,575 0	85,945 0	75,353 0	25,796 0	661,359 0	51,910 0
LAWRENCE FOUST	(i) (ii)	323,755 0	78,793 0	74,206 0	67,055 0	14,803 0	558,612 0	57,206 0
RODNEY HANNERS	(i) (ii)	377,025 0	89,001 0	35,798 0	59,257 0	38,088 0	599,169 0	0 0
CLAUDIA LOONEY	(i) (ii)	306,041 0	79,440 0	366,672 0	57,191 0	23,393 0	832,737 0	349,672 0
GAIL MARGOLIS	(i) (ii)	235,900 0	53,464 0	22,293 0	46,844 0	10,471 0	368,972 0	0 0
KEITH HOBBS	(i) (ii)	228,168 0	51,613 0	9,801 0	37,296 0	19,534 0	346,412 0	0 0
DEANN MARSHALL	(i) (ii)	294,465 0	61,874 0	90,381 0	58,443 0	13,647 0	518,810 0	39,645 0
TIM MALSEED	(i) (ii)	254,565 0	35,100 0	32,476 0	43,097 0	829 0	366,067 0	21,759 0
MARTY MILLER	(i) (ii)	269,513 0	49,038 0	30,841 0	12,907 0	30,748 0	393,047 0	18,951 0
ROBERT ADLER MD	(i) (ii)	306,157 0	0 0	0 0	0 0	0 0	306,157 0	0 0
ROBERT KAY MD	(i) (ii)	153,812 0	0 0	0 0	0 0	0 0	153,812 0	0 0
ROBERTA WILLIAMS MD	(i) (ii)	280,870 0	0 0	0 0	0 0	0 0	280,870 0	0 0

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY INSURED REVENUE BOND	68-0164610	130795CQ8	04-24-2007	170,792,342	FINANCED THE COSTS OF MAJOR EXPANSION AND MODERNIZATION OF THE HOSPITAL		X		X		X
B CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY INSURED REVENUE BOND	68-0164610	NONEAVAIL	12-18-2009	29,865,000	REFUNDED SERIES 2008 BONDS	X			X		X
C CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY INSURED REVENUE BONDS	52-1643828	13033LHC4	05-20-2010	186,024,080	REFUNDED SERIES 2004 & 2008 BONDS AND A PORTION OF SERIES 1999 CERTIFICATE	X			X		X
D CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY INSURED REVENUE BONDS	52-1643828	13033LB22	08-15-2012	182,930,717	REFUNDED SERIES 2009 AND 2010B AND 1999		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased	30,000,000		30,000,000		51,000,000			
3	Total proceeds of issue	170,792,342		29,865,000		186,024,080		182,930,717	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	1,500,000				2,644,798		2,310,722	
8	Credit enhancement from proceeds	5,213,423				5,213,423			
9	Working capital expenditures from proceeds	9,301,225							
10	Capital expenditures from proceeds	159,991,117							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2009		2010		2011		2013	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		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			X		X		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?		X						
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		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	0%							
7	Does the bond issue meet the private security or payment test?		X		X		X		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		X		X		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?								
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		X		X		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		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?		X		X		X		X
c	No rebate due?	X		X		X		X	
	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	X		X		X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	GOLDMAN SACHS & CO							
c	Term of hedge	0 1000000000000							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?	X							

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		X
b	Name of provider	AIG MATCHED FUNDING							
c	Term of GIC	1 4000000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	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		X		X		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 PART IV, ARBITRAGE, LINE 2C	DATE REBATE COMPUTATION PERFORMED	ISSUER NAME CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY INSURED DATE THE REBATE COMPUTATION WAS PERFORMED 04/23/2013
SCHEDULE K SUPPLENTAL INFORMATION		PART III, LINE 3B AND 3D WHILE CHLA DOES NOT ROUTINELY ENGAGE BOND COUNSEL OR OTHER OUTSIDE COUNSEL TO REVIEW ANY CONTRACTS OR AGREEMENTS RELATING TO TAX-EXEMPT BOND-FINANCED PROPERTY, CHLA UTILIZES ITS FULL-TIME IN-HOUSE LEGAL DEPARTMENT TO REVIEW ANY SUCH CONTRACTS CHLA'S GENERAL COUNSEL'S OFFICE HAS DEVELOPED INTERNAL PROCEDURES FOR REVIEWING CONTRACTS RELATING TO TAX-EXEMPT BOND-FINANCED PROPERTIES TO ENSURE COMPLIANCE WITH PROPER SAFE HARBORS PART IV, LINE 4C, COLUMN A THERE WERE TWO CONTRACTS WITH THE PROVIDER, ONE WITH A TERM OF 1 3 YEARS, THE OTHER WITH A TERM OF 2 3 YEARS
PART III, LINE 9		CHLA DOES NOT HAVE ANY NONQUALIFIED BONDS
PART IV, LINE 2C		BOND A CALCULATION PERFORMED ON 04/23/2013 BOND B BOND WAS DEFEASED ON 08/15/2012 BOND C CALCULATION PERFORMED ON 10/01/2012 BOND D CALCULATION IS NOT YET DUE ON THIS BOND

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.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
CHILDREN'S HOSPITAL LOS ANGELES

Employer identification number
95-1690977

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
(1) HENRI R FORD MD	DIRECTOR OF CHLAMG, VICE PRESIDENT AND CHIEF OF SURGERY	HOUSING ASSISTANCE		X	237,495	45,149		No	Yes		Yes	
Total ▶ \$							45,149					

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
See Additional Data Table					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 95-1690977

Name: CHILDREN'S HOSPITAL LOS ANGELES

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MR WILLIAM H HURT TRUSTEE	CHAIRMAN OF CAPITAL STRATEGY RESEARCH, INC (AN AFFILIATE OF CGT)	133,110	THE HOSPITAL HAS INVESTMENT ACCOUNTS WITH CAPITAL GUARDIAN TRUST (CGT)		No
(2) MR ALAN PURWIN TRUSTEE	PRESIDENT OF HELINET AVIATION	194,822	PROVIDES HELICOPTER TRANSPORTATION SERVICES FOR THE HOSPITAL		No
(3) MR ALEX CHAVES SR TRUSTEE	OWNER OF PARKING COMPANY OF AMERICA	3,172,494	PROVIDES PARKING SERVICES FOR THE HOSPITAL		No
(4) THEODORE R SAMUELS TRUSTEE	SR VP AND DIRECTOR OF CAPITAL GUARDIAN TRUST COMPANY	133,110	PAYMENT FOR INVESTMENT SERVICES TO THE HOSPITAL		No
(5) CARL GRUSHKIN MD TRUSTEE	PRESIDENT FOR CHILDREN'S HOSPITAL LOS ANGELES MEDICAL GROUP ("CHLAMG")	10,750,029	CHLAMG IS THE PEDIATRIC FACULTY PHYSICIAN PLAN FOR THE UNIVERSITY OF SOUTHERN CALIFORNIA AT CHLA PAYMENT IS FOR ADMINISTRATIVE AND COVERAGE SERVICES PROVIDED BY FACULTY PHYSICIANS		No
(6) HENRI R FORD MD TRUSTEE	DIRECTOR FOR CHLAMG, CHIEF OF SURGERY	10,750,029	CHLAMG IS THE PEDIATRIC FACULTY PHYSICIAN PLAN FOR THE UNIVERSITY OF SOUTHERN CALIFORNIA AT CHLA PAYMENT IS FOR ADMINISTRATIVE AND COVERAGE SERVICES PROVIDED BY FACULTY PHYSICIANS		No
(7) LISA STEVENS TRUSTEE	EXECUTIVE VP AND REGIONAL PRESIDENT OF WELLS FARGO & CO	300,490	PAYMENT FOR BANKING SERVICES AS WELL AS REPAYMENT OF HOUSING MORTGAGE		No
(8) KIMBERLY SHEPHERD TRUSTEE	HER MOTHER IS A TRUSTEE OF UNIVERSITY OF SOUTHERN CALIFORNIA	0	REIMBURSEMENT OF FACULTY SALARIES TO USC BY CHLA ZERO AMOUNT REFLECTS REIMBURSEMENT NATURE OF TRANSACTION		No
(9) MEGAN HERNANDEZ TRUSTEE	HUSBAND IS ENRIQUE HERNANDEZ, FOUNDER AND HEAD OF INTER-CON SECURITY SYSTEM	2,573,151	PROVIDES PRIVATE SECURITY SERVICES FOR THE HOSPITAL		No
(10) BRENT POLK TRUSTEE	DIRECTOR FOR CHLAMG	10,750,029	CHLAMG IS THE PEDIATRIC FACULTY PHYSICIAN PLAN FOR THE UNIVERSITY OF SOUTHERN CALIFORNIA AT CHLA PAYMENT IS FOR ADMINISTRATIVE AND COVERAGE SERVICES PROVIDED BY FACULTY PHYSICIANS		No
(11) ROBERT ADLER FORMER TRUSTEE	DIRECTOR FOR CHLAMG	10,750,029	CHLAMG IS THE PEDIATRIC FACULTY PHYSICIAN PLAN FOR THE UNIVERSITY OF SOUTHERN CALIFORNIA AT CHLA PAYMENT IS FOR ADMINISTRATIVE AND COVERAGE SERVICES PROVIDED BY FACULTY PHYSICIANS		No
(12) CARMEN PULIAFITO TRUSTEE	DEAN OF USC AND DIRECTOR FOR CHLAMG	10,750,029	CHLAMG IS THE PEDIATRIC FACULTY PHYSICIAN PLAN FOR THE UNIVERSITY OF SOUTHERN CALIFORNIA AT CHLA PAYMENT IS FOR ADMINISTRATIVE AND COVERAGE SERVICES PROVIDED BY FACULTY PHYSICIANS ALSO, INCLUDES THE REIMBURSEMENT OF FACULTY SALARIES TO USC BY CHLA		No
(13) MARTHA N CORBETT TRUSTEE	PARTNER, PRICEWATERHOUSECOOPERS LLP	248,873	PAYMENT FOR CONSULTING SERVICES RELATED TO REVENUE ENHANCEMENTS		No
(14) ALAN WILSON	SR VP AND DIRECTOR OF CAPITAL GUARDIAN TRUST COMPANY	133,110	PAYMENT FOR INVESTMENT SERVICES TO THE HOSPITAL		No

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.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CHILDREN'S HOSPITAL LOS ANGELES

Employer identification number
95-1690977

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	1	52,050	FMV APPRAISAL
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	37	726,743	COST OR SELLING PRICE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (IKEA TOYS)	X	3	3,978	COST OR SELLING PRICE
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				

29

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

29

4

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

Yes

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

Yes

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
THIRD PARTY USE	PART I, LINE 32B	THE HOSPITAL USES BROKERAGE HOUSES TO SELL NON-CASH CONTRIBUTIONS

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

**Open to Public
Inspection**

Name of the organization CHILDREN'S HOSPITAL LOS ANGELES	Employer identification number 95-1690977
---	--

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE CONSISTS OF ONLY ACTIVE, VOTING MEMBERS OF THE BOARD OF TRUSTEES AND IS COMPOSED OF THE CO-CHAIRPERSONS OF THE BOARD, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOSPITAL, THE CHAIRPERSONS OF THE BOARD'S FINANCE, AUDIT, SAFETY, QUALITY AND SERVICE, COMPENSATION, GOVERNMENT RELATIONS, INVESTMENT, GOVERNANCE, NOMINATING, AND RESEARCH INSTITUTE COMMITTEES AND SEVERAL OTHER TRUSTEES ELECTED BY THE BOARD OF TRUSTEES THE EXECUTIVE COMMITTEE MAY ACT WITH THE FULL AUTHORITY OF THE BOARD OF TRUSTEES EXCEPT ON THOSE MATTERS THAT ARE REQUIRED BY LAW OR THE BYLAWS TO BE DECIDED BY THE FULL BOARD OF TRUSTEES ALL ACTIONS OF THE EXECUTIVE COMMITTEE ARE REFLECTED IN MINUTES OF THE COMMITTEE, CONTEMPORANEOUSLY DOCUMENTED AND REPORTED TO BOTH THE EXECUTIVE COMMITTEE AND THE FULL BOARD OF TRUSTEES AT THEIR NEXT MEETINGS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	1 ALAN WILSON (TRUSTEE) - BUSINESS RELATIONSHIPS AMONG THEODORE SAMUELS (TRUSTEE), BILL HURT (TRUSTEE) AND JAMES TERRILE (TRUSTEE) 2 SUSAN MALLORY (TRUSTEE) - BUSINESS RELATIONSHIPS AMONG MARION ANDERSON (TRUSTEE) AND MARCIA HOBBS (TRUSTEE) 3 ELIZABETH LOWE (TRUSTEE) - BUSINESS RELATIONSHIPS AMONG THEODORE SAMUELS (TRUSTEE), JAMES TERRILE (TRUSTEE), ALAN WILSON (TRUSTEE) AND BILL HURT (TRUSTEE)

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED BY DELOITTE TAX LLP, WORKING IN CONJUNCTION WITH CHLA'S FINANCE DEPARTMENT. CHLA'S DIRECTOR OF ACCOUNTING HAS DIRECT RESPONSIBILITY FOR THIS EFFORT, SUBJECT TO SUPERVISION BY THE CHIEF FINANCIAL OFFICER. AFTER AN INITIAL DRAFT OF THE FORM 990 IS PREPARED, IT IS CIRCULATED FOR REVIEW AND COMMENT BY RELEVANT MEMBERS OF THE EXECUTIVE TEAM WHO HAVE RESPONSIBILITY AND/OR KNOWLEDGE ABOUT THE VARIOUS MATTERS DISCLOSED AND/OR DESCRIBED IN THE FORM. THE CHIEF FINANCIAL OFFICER AND GENERAL COUNSEL, IN PARTICULAR, REVIEW THE FORM 990 AND ENSURE ACCURACY OF DESCRIPTIONS AND THAT DISCLOSURE IS COMPLETE. THE DRAFT FORM 990 IS REVIEWED BY THE AUDIT COMMITTEE OF CHLA, ACTING ON BEHALF OF THE BOARD OF TRUSTEES OF CHLA. ONCE THE DRAFT FORM 990 HAS BEEN REVIEWED AND DISCUSSED BY THE AUDIT COMMITTEE, ANY CHANGES RESULTING FROM THEIR REVIEW IS INCORPORATED INTO THE FINAL DRAFT OF THE FORM 990. THE FINAL DRAFT OF THE FORM 990 IS THEN DISTRIBUTED TO THE BOARD OF TRUSTEES VIA A SECURE WEB SITE FOR THEIR REVIEW AND COMMENTS PRIOR TO THE FILING OF THE FORM 990.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	CHLA REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY THROUGH ANNUAL CIRCULATION OF A CONFLICT OF INTEREST QUESTIONNAIRE WHICH IS REQUIRED TO BE ANSWERED BY ALL OFFICERS AND MEMBERS OF THE BOARD OF TRUSTEES, AS WELL AS CERTAIN KEY EMPLOYEES THAT ARE DESIGNATED ANNUALLY BY THE GOVERNANCE COMMITTEE. THESE ANNUAL DISCLOSURES ARE REVIEWED BY A COMBINATION OF CHLA'S GENERAL COUNSEL, COMPLIANCE OFFICER, CHIEF EXECUTIVE OFFICER, GOVERNANCE COMMITTEE OF THE BOARD AND THE FULL BOARD OF TRUSTEES, DEPENDING ON THE INDIVIDUAL MAKING THE DISCLOSURE. ADDITIONALLY, THE LEGAL DEPARTMENT OF CHLA REVIEWS CONTRACTUAL RELATIONSHIPS ENTERED INTO BY CHLA. FURTHERMORE, BOARD MEMBERS AND OFFICERS ARE ASKED TO DISCLOSE ANY POTENTIAL CONFLICTS OF INTEREST ON A CONTINUOUS BASIS THROUGHOUT THE YEAR. IF A POTENTIAL CONFLICT EXISTS, THE BOARD OR COMMITTEE DETERMINES WHETHER THE BOARD MEMBER OR OFFICER SHOULD BE EXCLUDED FROM VOTING ON THAT PARTICULAR MATTER.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	15 A THE PROCESS FOR DETERMINING THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER OF CHLA IS CONDUCTED BY THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OF CHLA, ACTING ON BEHALF OF THE BOARD OF TRUSTEES OF THE ORGANIZATION THE COMPENSATION COMMITTEE REPORTED ITS DELIBERATIONS AND DECISIONS TO THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES IN DETERMINING THE CHIEF EXECUTIVE OFFICER'S COMPENSATION DURING THE TAX PERIOD OF THIS INFORMATION RETURN THE COMPENSATION COMMITTEE WORKED WITH AND RELIED UPON THE COUNSEL AND EXPERTISE OF MERCER CONSULTING, A FIRM WITH EXPERIENCE AND EXPERTISE IN THE AREA OF NON-PROFIT ORGANIZATION EXECUTIVE COMPENSATION MERCER CONSULTING PROVIDED REPORTS TO THE COMPENSATION COMMITTEE, WHICH FURNISHED THE BASIS FOR THE ESTABLISHMENT OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION PACKAGE THEIR REPORTS WERE BASED ON A REVIEW OF THE EXECUTIVE COMPENSATION PRACTICES OF A VARIETY OF ORGANIZATIONS THAT ARE CONSIDERED COMPARABLE TO CHLA BASED ON VARIOUS METRICS SUCH AS HOSPITAL TYPE AND REVENUE THE COMPENSATION COMMITTEE DELIBERATED ON THE ISSUE OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION PACKAGE IN LIGHT OF THESE REPORTS AND QUESTIONS WERE ASKED OF, AND ANSWERED BY, MERCER REGARDING SUCH REPORTS AND OTHER RELEVANT MATTERS BASED ON SUCH DELIBERATIONS, THE COMPENSATION COMMITTEE NEGOTIATED A WRITTEN CONTRACT WITH THE CEO 15 B THE PROCESS FOR DETERMINING THE COMPENSATION OF OFFICERS AND OTHER KEY EMPLOYEES OF CHLA IS CONDUCTED BY THE HUMAN RESOURCES DEPARTMENT OF CHLA, AND THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OF CHLA, ACTING ON BEHALF OF THE BOARD OF TRUSTEES OF THE ORGANIZATION IN DETERMINING SUCH EMPLOYEE'S COMPENSATION, DURING THE 2012 COMPENSATION SEASON THE HUMAN RESOURCES DEPARTMENT AND COMPENSATION COMMITTEE WORKED WITH AND RELIED UPON THE COUNSEL AND EXPERTISE OF MERCER CONSULTING, A FIRM WITH EXPERIENCE AND EXPERTISE IN THE AREA OF NON-PROFIT ORGANIZATION EXECUTIVE COMPENSATION MERCER PROVIDED AN EXECUTIVE COMPENSATION REPORT TO THE HUMAN RESOURCES DEPARTMENT AND COMPENSATION COMMITTEE WHICH FURNISHED THE BASIS FOR THE ESTABLISHMENT OF SUCH EMPLOYEES' COMPENSATION PACKAGE DURING THE FOLLOWING YEAR MERCER'S REPORT WAS BASED ON A REVIEW OF EXECUTIVE COMPENSATION PRACTICES OF A VARIETY OF ORGANIZATIONS THAT ARE CONSIDERED COMPARABLE TO CHLA BASED ON VARIOUS METRICS SUCH AS HOSPITAL TYPE AND REVENUE IN ADDITION, THE CHIEF EXECUTIVE OFFICER MADE A RECOMMENDATION TO THE COMPENSATION COMMITTEE WITH RESPECT TO EACH OF SUCH EMPLOYEES' COMPENSATION PACKAGE IN LIGHT OF THE MERCER REPORT AND IN LIGHT OF THE EXECUTIVE'S PERFORMANCE AT THE COMPENSATION COMMITTEE MEETING ADDRESSING SUCH MATTERS, QUESTIONS WERE ASKED OF, AND ANSWERED BY, MERCER REGARDING SUCH REPORT AND OTHER RELEVANT MATTERS BASED ON SUCH DELIBERATIONS, THE COMPENSATION COMMITTEE MADE A DECISION REGARDING THE COMPENSATION PACKAGE FOR SUCH EMPLOYEES FOR THE FOLLOWING YEAR

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	CHLA DOES NOT MAKE ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC CHLA'S FINANCIAL STATEMENTS ARE CONTAINED IN ITS FORM 990, WHICH IS AVAILABLE FOR PUBLIC INSPECTION DURING BUSINESS HOURS

Identifier	Return Reference	Explanation
	FORM 990, PART VII, COLUMN B	THE HOURS REPORTED FOR EACH OF THE FACULTY PHYSICIANS RELATES TO THEIR TOTAL COMPENSATION FROM ALL SOURCES AS REPORTED IN COLUMN D OF PART VII

Identifier	Return Reference	Explanation
OTHER FEES	FORM 990, PART IX, LINE 11G	PROFESSIONAL MEDICAL FEES PROGRAM SERVICE EXPENSES 71,419,391 MANAGEMENT AND GENERAL EXPENSES 11,850,949 FUNDRAISING EXPENSES 623,723 TOTAL EXPENSES 83,894,063 MEDICAL-RELATED SERVICES PROGRAM SERVICE EXPENSES 11,402,664 MANAGEMENT AND GENERAL EXPENSES 4,055,468 FUNDRAISING EXPENSES 765 TOTAL EXPENSES 15,458,897 OTHER PURCHASED SERVICES PROGRAM SERVICE EXPENSES 8,668,269 MANAGEMENT AND GENERAL EXPENSES 21,210,088 FUNDRAISING EXPENSES 1,350,898 TOTAL EXPENSES 31,229,255

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS -193,496 TRANSFERS AND OTHER - 2,526,961 CHANGE IN SWAP MARK TO MARKET 5,926,027 INVESTMENT IN DISREGARDED ENTITY 176,068

Identifier	Return Reference	Explanation
	SCHEDULE H, PART VI	LETTER FROM RICHARD CORDOVA, CEO, ON COMMUNITY BENEFIT AT CHILDREN'S HOSPITAL LOS ANGELES ALL OF OUR ORGANIZATIONAL VALUES ARE IMPORTANT, BUT ONE IN PARTICULAR STANDS OUT TO ME AT THIS MOMENT IN TIME WE ARE STEWARDS OF THE LIVES AND RESOURCES ENTRUSTED TO US AS WE TRANSITION OURSELVES DURING A TIME OF GREAT CHANGE IN THE HEALTH CARE INDUSTRY, WE ARE CONSTANTLY LOOKING FOR WAYS TO IMPROVE THE LIVES OF CHILDREN, INCLUDING MORE THAN 100,000 WHO COME THROUGH OUR DOORS EVERY YEAR, AS WELL AS THOSE WHO MAY NEED US AT SOME POINT IN THE FUTURE, AND THOSE WHO WILL NEVER EVEN SET FOOT IN OUR FACILITIES THOUGH THEY MAY NOT COME TO OUR MAIN FACILITY IN HOLLYWOOD, THEY NOW HAVE MORE OPPORTUNITIES TO VISIT US IN THEIR OWN NEIGHBORHOODS OUR NEW LOCATIONS IN THE SOUTH BAY AND SANTA MONICA OPENED IN 2013, ADDING TO OUR PRESENCES IN ARCADIA AND VALENCIA WITH THESE OPENINGS, WE ARE FULFILLING A VISION OF ESTABLISHING CENTERS THAT BRING OUR SPECIAL BRAND OF CARE CLOSER TO FAMILIES WHO NEED IT MOST THIS IS JUST ONE WAY THAT WE ARE WORKING TO IMPROVE THE COMMUNITIES OF SOUTHERN CALIFORNIA, MANY MORE ARE DETAILED IN THE FOLLOWING PAGES BUILDING STRONGER COMMUNITIES BUILDS STRONGER CHILDREN, AND VICE VERSA OUR COMMUNITY BENEFIT EFFORTS ARE ALL WORKING TOWARD THAT GOAL-HELPING CHILDREN BE SAFER, HEALTHIER AND ULTIMATELY STRONGER THANK YOU FOR TAKING THE TIME TO LEARN A LITTLE BIT MORE ABOUT OUR EFFORTS TO CREATE HOPE AND BUILD HEALTHIER FUTURES FOR ALL CHILDREN SINCERELY, RICHARD D. CORDOVA, FACHE PRESIDENT AND CHIEF EXECUTIVE OFFICER CHILDREN'S HOSPITAL LOS ANGELES OUR HISTORY FOUNDED IN 1901, CHILDREN'S HOSPITAL LOS ANGELES IS THE OLDEST FREESTANDING PEDIATRIC HOSPITAL IN CALIFORNIA WITH MORE THAN 110 YEARS OF EXPERIENCE, WE LOOK FORWARD TO PROVIDING OUR PATIENTS WITH ANOTHER CENTURY OF CARE CHILDREN'S HOSPITAL LOS ANGELES IS ONE OF THE NATION'S LEADING CHILDREN'S HOSPITALS AND IS ACKNOWLEDGED WORLDWIDE FOR ITS LEADERSHIP IN PEDIATRIC AND ADOLESCENT HEALTH CHILDREN'S HOSPITAL LOS ANGELES IS ONE OF ONLY 10 CHILDREN'S HOSPITALS IN THE NATION, AND THE ONLY ONE IN CALIFORNIA, RANKED IN ALL 10 PEDIATRIC SPECIALTIES BY U.S. NEWS & WORLD REPORT AND NAMED TO THE MAGAZINE'S HONOR ROLL OF CHILDREN'S HOSPITALS THE MARION AND JOHN E. ANDERSON PAVILION CHILDREN'S HOSPITAL LOS ANGELES PROVIDES INPATIENT CARE FOR CHILDREN IN THE MARION AND JOHN E. ANDERSON PAVILION NAMED FOR GENEROUS BENEFACTOR AND HOSPITAL BOARD CO-CHAIR, MARION ANDERSON, AND HER HUSBAND, JOHN, THIS NEW BUILDING IS A PREMIERE HEALTH CARE SETTING FOR THE CARE OF CHILDREN OPENED IN JULY 2011, THIS HOSPITAL BUILDING IS ALLOWING US TO TRANSFORM THE PRACTICE OF PEDIATRIC MEDICINE, BENEFITING OUR PATIENTS, FAMILIES AND HOSPITAL CAREGIVERS FOR GENERATIONS TO COME CHILDREN'S HOSPITAL EXPANDS OUTPATIENT SERVICES IN THE COMMUNITY - VALENCIA, SOUTH BAY, ARCADIA AND SANTA MONICA VALENCIA CHILDREN'S HOSPITAL LOS ANGELES - VALENCIA OPENED IN THE SANTA CLARITA VALLEY IN JULY 2012 THE CENTER OFFERS BOARD-CERTIFIED AND BOARD-ELIGIBLE PEDIATRIC SPECIALISTS FOR INITIAL EVALUATION AND FOLLOW-UP CARE IN ENDOCRINOLOGY, GASTROENTEROLOGY, HEMATOLOGY-ONCOLOGY, IMAGING AND LABORATORY SERVICES, NEUROLOGY, ORTHOPEDICS, OTOLARYNGOLOGY, PEDIATRIC SURGERY, PLASTIC AND MAXILLOFACIAL SURGERY, PULMONOLOGY AND UROLOGY SOUTH BAY CHILDREN'S HOSPITAL LOS ANGELES - SOUTH BAY IS SCHEDULED TO OPEN IN FEBRUARY 2013 THE SAME BOARD-CERTIFIED AND BOARD-ELIGIBLE SPECIALISTS PROVIDING CARE AT CHILDREN'S HOSPITAL WILL BE OFFERING CONSULTATIONS AND FOLLOW-UP CARE IN CARDIOLOGY, ENDOCRINOLOGY, GASTROENTEROLOGY, NEUROLOGY, OPHTHALMOLOGY, ORTHOPEDICS, OTOLARYNGOLOGY, PULMONOLOGY, PLASTIC AND MAXILLOFACIAL SURGERY AND UROLOGY ARCADIA AT CHILDREN'S HOSPITAL LOS ANGELES OUTPATIENT LOCATION IN ARCADIA, FAMILIES HAVE ACCESS TO SPECIALISTS FROM THE FOLLOWING AREAS ALLERGY AND IMMUNOLOGY, ENDOCRINOLOGY, GASTROENTEROLOGY, HEMATOLOGY-ONCOLOGY, LABORATORY SERVICES, OPHTHALMOLOGY, OTOLARYNGOLOGY - HEAD AND NECK SURGERY, PEDIATRIC SURGERY, PULMONOLOGY, RADIOLOGY SERVICES AND UROLOGY LOCATED IN MONROVIA, CLOSE TO THE CHILDREN'S HOSPITAL LOS ANGELES - ARCADIA, CHILDREN'S OPTICAL OFFERS ONE-STOP SHOPPING FOR PATIENTS NEEDING PRESCRIPTION EYE GLASSES, CONTACT LENSES, FRAME REPAIRS, ACCESSORIES AND PROTECTIVE EYEWEAR SANTA MONICA CHILDREN'S HOSPITAL LOS ANGELES - SANTA MONICA OPENED NOVEMBER 2013 THE LOCATION OFFERS FAMILIES CONVENIENT ACCESS TO A WIDE VARIETY OF PEDIATRIC SPECIALISTS FOR INITIAL EVALUATION AND FOLLOW-UP CARE IN THE AREAS OF MEDICAL GENETICS, NEUROLOGY, ONCOLOGY, PLASTIC AND MAXILLOFACIAL SURGERY AND UROLOGY ALTAMED COMMUNITY HEALTH CLINIC THE ALTAMED COMMUNITY HEALTH CLINIC OF THE DIVISION OF GENERAL PEDIATRICS AT CHILDREN'S HOSPITAL LOS ANGELES SERVES AS A PREVENTIVE AND PRIMARY MEDICAL CARE CENTER FOR CHILDREN AND ADOLESCENTS IN OUR COMMUNITY ALTAMED IS A FEDERALLY QUALIFIED HEALTH CENTER (FQHC), WITH EMPHASIS ON DELIVERING HIGH-LEVEL PREVENTIVE AND PRIMARY MEDICAL CARE, MAKES THIS CLINIC AN ESSEN

Identifier	Return Reference	Explanation
	SCHEDULE H, PART VI	TIAL COMMUNITY PARTNER IN PROVIDING FIRST-CLASS MEDICAL CARE FOR FAMILIES IN UNDERSERVED A REAS OF OUR COMMUNITY THE SABAN RESEARCH INSTITUTE THE SABAN RESEARCH INSTITUTE OF CHILDR EN'S HOSPITAL LOS ANGELES IS ONE OF THE FEW FREESTANDING RESEARCH CENTERS IN THE U S WHERE SCIENTIFIC INQUIRY AND CLINICAL CARE ARE COMBINED AND DEVOTED EXCLUSIVELY TO CHILDREN OUR GOAL IS TO IMPROVE THE HEALTH AND WELLNESS OF CHILDREN THROUGH A COMBINATION OF BASIC, CLINICAL AND TRANSLATIONAL STUDIES RESEARCH IS PERFORMED AT THE LAB BENCH, IN THE CLINIC AND IN THE COMMUNITY AS A PREMIER TEACHING HOSPITAL, CHILDREN'S HOSPITAL HAS BEEN AFFILIA TED WITH THIS TOP MEDICAL SCHOOL SINCE 1932 THE INSTITUTE'S RESEARCHERS ALSO ARE INVOLVED IN COLLABORATIVE PROJECTS WITH ACADEMIC INSTITUTIONS THROUGHOUT THE U S AND ABROAD TOMORROW'S CAREGIVERS AT CHILDREN'S HOSPITAL LOS ANGELES, WE BELIEVE THAT EDUCATION IS AMONG THE GREATEST LEGACIES WE CAN LEAVE FOR FUTURE GENERATIONS, AND THIS COMMITMENT IS EVIDENT IN OUR TEACHING AND TRAINING OF MEDICAL STUDENTS, RESIDENTS AND FELLOWS THE PEDIATRIC RESIDENCY PROGRAM AT CHILDREN'S HOSPITAL LOS ANGELES IS ONE OF THE LARGEST IN THE COUNTRY CHILDREN'S HOSPITAL ANNUALLY TRAINS 500 MEDICAL STUDENTS, 87 FULL-TIME RESIDENTS, THREE CHIEF RESIDENTS AND 107 FELLOWS, WHO COLLECTIVELY REFLECT THE DIVERSITY NOT ONLY OF OUR PATIENT POPULATION, BUT ALSO OF THE LOS ANGELES REGION THE DEPARTMENT OF PEDIATRICS' CONTINUING MEDICAL EDUCATION (CME) ALSO EDUCATES PRACTICING PEDIATRICIANS IN OUR COMMUNITIES ABOUT THE LATEST DEVELOPMENTS AND STANDARDS OF PEDIATRIC MEDICINE OVER THE PAST YEAR, CHILDREN'S HOSPITAL HAS OFFERED 2,107 CME ACTIVITIES FOR PROFESSIONALS THROUGHOUT THE LOS ANGELES AREA, WITH A TOTAL ATTENDANCE OF 23,410 CHILDREN'S HOSPITAL LOS ANGELES IS COMMITTED TO SUPPORTING AND ENCOURAGING OUR NURSES TO PURSUE THEIR PROFESSIONAL DEVELOPMENT AS A MAGNET HOSPITAL OUR ORGANIZATION HAS BEEN RECOGNIZED FOR QUALITY INPATIENT CARE AS WELL AS EXCELLENCE IN NURSING FOUNDED AT CHILDREN'S HOSPITAL LOS ANGELES IN 1999 AND NOW REPLICATED AT MORE THAN 90 HOSPITALS NATIONWIDE, THE VERSANT RN RESIDENCY IN PEDIATRICS COMBINES CLASSROOM INSTRUCTION WITH HANDS-ON OPPORTUNITIES TO HELP NEW NURSES MASTER THE CLINICAL SKILLS THEY RECENTLY DEVELOPED IN NURSING SCHOOL THE RN RESIDENCY IS UNIQUE IN ITS LENGTH, COMPREHENSIVENESS AND FOCUS ON EVIDENCE-BASED NURSING PRACTICE DURING THE 22-WEEK PROGRAM, NOVICE NURSES SPEND APPROXIMATELY 650 HOURS PROVIDING PATIENT CARE UNDER THE ONE-ON-ONE SUPERVISION OF PRECEPTORS (EXPERIENCED, UNIT-BASED RNS) PRIOR TO THE PROGRAM, THE HOSPITAL'S TURN OVER RATE FOR NEW GRADUATES DURING THE FIRST YEAR OF EMPLOYMENT WAS 36 PERCENT, IT IS NOW LESS THAN FIVE PERCENT CAREERS IN HEALTH AND MENTORSHIP PROGRAM (CHAMP) FOR MORE THAN 10 YEARS, THE OFFICE OF COMMUNITY AFFAIRS AT CHILDREN'S HOSPITAL HAS COLLABORATED WITH LOCAL HIGH SCHOOLS, COLLEGES AND UNIVERSITIES, WORKFORCE INVESTMENT BOARDS (WIBS), YOUTH DEVELOPMENT ORGANIZATIONS AND CITYWIDE INITIATIVES SUCH AS THE MAYOR'S HIRE LA'S YOUTH PROGRAM THESE EFFORTS HAVE PROVIDED THOUSANDS OF YOUNG AND UNEMPLOYED INDIVIDUALS IN THE COMMUNITY AN OPPORTUNITY TO PARTICIPATE IN INTERNSHIP, MENTORSHIP AND WORK EXPERIENCE PROGRAMS THIS DECADE OF PARTNERSHIPS SET THE GROUNDWORK FOR THE DEVELOPMENT OF THE CHILDREN'S HOSPITAL LOS ANGELES CAREERS IN HEALTH AND MENTORSHIP PROGRAM (CHAMP), A PARTNERSHIP WITH BANK OF AMERICA INTERNS ARE CHOSEN BASED ON SPECIFIC MEASURABLE CRITERIA, AS WELL AS THOUGHTFUL CONSIDERATION OF THEIR LIFE EXPERIENCES AFTER COMPLETING THE INTERNSHIP, CHAMP INTERNS RECEIVED JOB TRANSITIONING AND PLACEMENT SERVICES, COORDINATED BY RIGHTSOURCING INC AT CHILDREN'S HOSPITAL ADDITIONAL INFORMATION ON THE ORGANIZATION'S PROGRAMS IS PROVIDED IN THE COMMUNITY BENEFITS REPORT (WHICH IS AVAILABLE UPON REQUEST)

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
CHILDREN'S HOSPITAL LOS ANGELES

Employer identification number
95-1690977

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
(1) CHLA HOLDINGS LLC 4650 SUNSET BLVD LOS ANGELES, CA 900270980 27-3653228	INVESTMENT VEHICLE	CA	44,263	649,613	CHILDREN'S HOSPITAL OF LOS ANGELES
(2) CHILDREN'S HEALTH SYSTEM OF LOS ANGELES LLC 4650 SUNSET BLVD LOS ANGELES, CA 90027 95-1690977	HEALTHCARE SERVICES	CA	0	0	CHILDREN'S HOSPITAL OF LOS ANGELES
(3) CHILDREN'S HOSPITAL LOS ANGELES HEALTH NETWORK LLC 4650 SUNSET BLVD LOS ANGELES, CA 90027 95-1690977	HEALTHCARE SERVICES	CA	0	0	CHILDREN'S HOSPITAL OF LOS ANGELES

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
See Additional Data Table							

Part III

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

(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) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" 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	No
(1) CHLA ESBT 4650 SUNSET BOULEVARD LOS ANGELES, CA 90027 20-3115169	INVESTMENT	CA		T	73,544		100 000 %	Yes	
(2) CRUT-11 4650 SUNSET BOULEVARD LOS ANGELES, CA 90027	CHARITABLE TRUST	CA		T					No
(3) CRAT-3 4650 SUNSET BOULEVARD LOS ANGELES, CA 90027	CHARITABLE TRUST	CA		T					No
(4) MMR LIT-1 4650 SUNSET BOULEVARD LOS ANGELES, CA 90027	CHARITABLE TRUST	CA		T					No
(5) GROVER COLLINS INC 4650 SUNSET BOULEVARD LOS ANGELES, CA 90027 95-1911481	PASSIVE INVESTMENT	CA		C	-10,496		100 000 %	Yes	

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

Yes

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

No

1p

No

1q

No

1r

No

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) GROVER COLLINS INC	F	79,373	CASH

Schedule R (Form 990) 2012

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

[illegible]

Software ID:
Software Version:
EIN: 95-1690977
Name: CHILDREN'S HOSPITAL LOS ANGELES

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
------------	------------------	-------------	--

-->

Children's Hospital Los Angeles

Consolidated Financial Statements as of and
for the Years Ended June 30, 2013 and 2012,
and Independent Auditors' Report

CHILDREN'S HOSPITAL LOS ANGELES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2013 AND 2012:	
Balance Sheets	3–4
Statements of Activities	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7–8
Notes to Consolidated Financial Statements	9–34

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Children's Hospital Los Angeles:

We have audited the accompanying consolidated financial statements of Children's Hospital Los Angeles and its subsidiaries (the "Hospital"), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of activities, 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 Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Hospital's preparation and fair presentation of the consolidated 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 Hospital'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2013 and 2012, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

November 5, 2013

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 26,676	\$ 9,368
Patient accounts receivable — net of allowance for doubtful accounts of \$6,757 and \$6,999 at June 30, 2013 and 2012, respectively (Note 1)	98,828	80,790
Current portion of pledges receivable — net of allowance for uncollectible pledges of \$969 and \$545 at June 30, 2013 and 2012, respectively (Note 5)	24,610	25,368
Grants receivable	13,009	14,177
Current portion of trustee-held funds (Notes 4, 6, and 15)	3,309	8,622
Hospital Fee Program receivables (Note 16)	53,378	93,059
Other current assets (Notes 14 and 16)	<u>32,614</u>	<u>28,180</u>
Total current assets	<u>252,424</u>	<u>259,564</u>
ASSETS LIMITED AS TO USE (Notes 4, 6, and 15):		
Investments	504,310	450,592
Unitrust investments	<u>4,861</u>	<u>4,938</u>
Total assets limited as to use — net of current portion	<u>509,171</u>	<u>455,530</u>
PLEDGES RECEIVABLE — Net of current portion — net of allowance for uncollectible pledges of \$601 and \$453 as of June 30, 2013 and 2012, respectively (Note 5)	<u>48,565</u>	<u>48,414</u>
OTHER ASSETS (Note 14)	<u>23,868</u>	<u>30,310</u>
PROPERTY, PLANT, AND EQUIPMENT (Note 7)	<u>911,088</u>	<u>906,925</u>
TOTAL	<u>\$1,745,116</u>	<u>\$1,700,743</u>

(Continued)

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 42,460	\$ 48,096
Salaries, wages, and related liabilities	41,412	38,357
Current portion of long-term debt (Note 8)		4,570
Payables under government and state programs (Note 3)	751	1,195
Hospital Fee Program — deferred revenue and other liabilities (Note 16)	<u>10,469</u>	<u>34,983</u>
Total current liabilities	95,092	127,201
LONG-TERM DEBT — Net of current portion (Note 8)	487,314	482,907
LIABILITY UNDER UNITRUST AGREEMENTS	3,032	3,112
INTEREST RATE SWAP (Note 8)	9,762	15,688
OTHER NONCURRENT LIABILITIES (Note 9)	<u>26,279</u>	<u>22,992</u>
Total liabilities	<u>621,479</u>	<u>651,900</u>
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS:		
Unrestricted:		
Operating	428,630	409,885
Board designated	<u>405,414</u>	<u>363,797</u>
Total unrestricted	834,044	773,682
Temporarily restricted (Note 10)	139,982	127,371
Permanently restricted (Note 10)	<u>149,611</u>	<u>147,790</u>
Total net assets	<u>1,123,637</u>	<u>1,048,843</u>
TOTAL	<u>\$1,745,116</u>	<u>\$1,700,743</u>

See notes to consolidated financial statements.

(Concluded)

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
REVENUES (Note 12)		
Patient service revenue — net of contractual allowances and discounts (Note 16)	\$651,451	\$624,067
Provision for doubtful accounts	(6,220)	(8,263)
Net patient service revenue less provision for doubtful accounts (Note 3)	645,231	615,804
Grants, contracts, and other	134,603	125,952
Unrestricted gifts and bequests	46,960	36,709
Investment income used for operations, research, and education (Note 4)	18,565	19,684
Net assets released from restrictions used for operations, research, and education	20,762	28,988
Total revenues	866,121	827,137
EXPENSES (Note 12)		
Salaries and employee benefits (Note 11)	412,620	385,188
Professional fees and purchased services (Note 14)	145,586	138,686
Supplies	113,099	99,549
Utilities	13,044	11,613
Rent (Note 9)	8,167	7,668
Insurance	2,621	2,457
Travel, dues, and subscriptions	5,773	6,014
Equipment	4,296	3,308
Hospital Fee Program (Note 16)	34,983	47,905
Other	14,878	13,488
Total expenses before depreciation, amortization, and interest	755,067	715,876
EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION, AMORTIZATION, AND INTEREST	111,054	111,261
DEPRECIATION, AMORTIZATION, AND INTEREST		
Depreciation and amortization	48,070	35,308
Interest	24,117	25,400
Total depreciation, amortization, and interest	72,187	60,708
EXCESS OF REVENUES OVER EXPENSES	38,867	50,553
OTHER GAINS (LOSSES):		
Net realized and unrealized gain (loss) on investments held for trading (Note 4)	33,788	(5,102)
Other investment loss — net (Note 4)	(11,692)	(12,027)
Interest rate swap mark-to-market gain (loss) (Note 8)	5,926	(8,841)
Other (losses) gains — net	(5,785)	30
Total other gains (losses)	22,237	(25,940)
EXCESS OF REVENUES OVER EXPENSES AND OTHER GAINS (LOSSES)	61,104	24,613
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) GRANT REVENUE (Note 17)		9,983
NET ASSETS RELEASED FROM RESTRICTIONS USED FOR PURCHASE OF PROPERTY AND EQUIPMENT	790	4,133
TRANSFERS AND OTHER	(1,532)	(961)
INCREASE IN UNRESTRICTED NET ASSETS	\$ 60,362	\$ 37,768

See notes to consolidated financial statements

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
UNRESTRICTED NET ASSETS:		
Excess of revenues over expenses and other gains (losses)	\$ 61,104	\$ 24,613
FEMA grant revenue (Note 17)		9,983
Net assets released from restrictions used for purchase of property and equipment	790	4,133
Transfers and other	<u>(1,532)</u>	<u>(961)</u>
Increase in unrestricted net assets	<u>60,362</u>	<u>37,768</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Restricted grants, gifts, and bequests	19,611	15,539
Provision for uncollectible pledges (Note 5)	(1,239)	(547)
Net investment income on restricted gifts and endowments (Note 4)	2,039	2,373
Net realized gain on sale of restricted investments (Note 4)	4,013	242
Net unrealized gain (loss) on restricted investments (Note 4)	10,906	(5,017)
Net assets released from restrictions used for operations, research, and education	(20,762)	(28,988)
Net assets released from restrictions used for purchase of property and equipment	(790)	(4,133)
Other	<u>(1,167)</u>	<u>(3,563)</u>
Increase (decrease) in temporarily restricted net assets	<u>12,611</u>	<u>(24,094)</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	1,846	2,501
Other	<u>(25)</u>	<u>(483)</u>
Increase in permanently restricted net assets	<u>1,821</u>	<u>2,018</u>
CHANGE IN NET ASSETS	74,794	15,692
NET ASSETS — Beginning of year	<u>1,048,843</u>	<u>1,033,151</u>
NET ASSETS — End of year	<u>\$ 1,123,637</u>	<u>\$ 1,048,843</u>

See notes to consolidated financial statements.

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 74,794	\$ 15,692
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property, plant, and equipment	47,483	34,749
Amortization of bond issuance costs	587	559
Amortization of bond discounts and premiums — net	641	(125)
Provision for doubtful accounts	6,220	8,263
Provision for uncollectible pledges	1,239	547
Net realized and unrealized (gain) loss on investments	(48,707)	9,877
Contributions temporarily restricted for purchases of long-lived assets	(1,210)	(3,010)
Permanently restricted contributions	(1,846)	(2,501)
FEMA grant revenue		(9,983)
Interest rate swap mark-to-market (gain) loss	(5,926)	8,841
Changes in operating assets and liabilities:		
Patient accounts receivable	(24,258)	(28,934)
Pledges receivable	(632)	6,240
Grants receivable	1,168	(4,915)
Hospital Fee Program receivables	39,681	(93,059)
Other current assets	(4,434)	13,033
Other assets	7,994	(24)
Accounts payable and accrued expenses	(5,660)	6,434
Salaries, wages, and related liabilities	3,055	187
Payables under government and state programs	(444)	426
Hospital Fee Program — deferred revenue and other liabilities	(24,514)	(18,781)
Liability under unitrust agreements	(80)	470
Other noncurrent liabilities	3,287	7,355
Net cash provided by (used in) operating activities	<u>68,438</u>	<u>(48,659)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(509,371)	(418,775)
Sale of investments	504,609	533,110
Cost of property, plant, and equipment acquired	(51,622)	(68,246)
Transfers from trustee-held funds	5,313	4,918
Net cash (used in) provided by investing activities	<u>(51,071)</u>	<u>51,007</u>

(Continued)

CHILDREN'S HOSPITAL LOS ANGELES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012 (In thousands)

	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	\$ (183,735)	\$ (4,310)
Repayment of loan		(16,290)
Proceeds from issuance of long term debt	182,931	
Payment of financing costs	(2,311)	(559)
Contributions temporarily restricted for purchase of long-lived assets	1,210	3,010
Proceeds from permanently restricted contributions	1,846	2,501
FEMA grant revenue		9,983
	<u> </u>	<u> </u>
Net cash (used in) financing activities	(59)	(5,665)
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 17,308	 (3,317)
 CASH AND CASH EQUIVALENTS — Beginning of year	 <u>9,368</u>	 <u>12,685</u>
 CASH AND CASH EQUIVALENTS — End of year	 <u>\$ 26,676</u>	 <u>\$ 9,368</u>
 SUPPLEMENTAL INFORMATION RELATING TO NONCASH ITEMS —		
Property and equipment acquisitions included in accounts payable	<u>\$ 1,281</u>	<u>\$ 1,257</u>

See notes to consolidated financial statements.

(Concluded)

CHILDREN'S HOSPITAL LOS ANGELES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Children's Hospital Los Angeles (CHLA), a not-for-profit corporation organized under the laws of the State of California, is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and similar California statutes and, as such, is exempt from federal income taxes and state franchise taxes.

CHLA is the sole corporate member of Versant Advantage, Inc. ("Versant"), a not-for-profit corporation organized under the laws of the State of California, which is a tax-exempt organization under Section 501(c)(3) of the IRC and similar California statutes and, as such, is exempt from federal income taxes and state franchise taxes. Versant was formed to provide educational programs for registered nurses and nursing students relating to the medical treatment of patients. In December 2009, Versant sold substantially all of its assets to a third party. On May 13, 2011, all remaining assets were transferred to CHLA and, as of August 25, 2011, Versant was legally dissolved (see Note 13). These consolidated financial statements include CHLA and Versant (collectively, the "Hospital"). All intercompany transactions have been eliminated in consolidation.

CHLA is the direct controlling entity of CHLA Holdings, LLC, Children's Health System of Los Angeles, LLC, and CHLA Network, LLC. The specific purpose of CHLA Holdings, LLC is to hold title to property, collect income therefrom, and turn over the entire amount thereof, less expenses, to CHLA. The specific purpose of Children's Health System of Los Angeles, LLC, is to provide or arrange for the provisions of health care services and educational and research activities associated with such health care services by CHLA. The specific purpose of Children's Hospital Los Angeles Health Network, LLC is to facilitate and foster the efficient provision of health care services by CHLA.

The Hospital's principal mission is to promote and advance the state of children's health, focusing on tertiary and quaternary specialties in patient care, research, and education.

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

Excess of Revenues over Expenses and Other Gains (Losses) — The consolidated statements of activities include the excess of revenues over expenses and other gains (losses). Changes in unrestricted net assets, which are excluded from this total, consistent with industry practice, include revenues recognized from permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets), and extraordinary funds received directly from public sources, including funds from Federal Emergency Management Administration (FEMA) and proceeds from state propositions.

Cash and Cash Equivalents — Cash and cash equivalents include investments with an original maturity of three months or less at the time of purchase, excluding amounts whose use is limited by Board of Trustees (the “Board”) designation or other arrangements under trust agreements and cash held by the Hospital’s investment managers that will be invested based on the Hospital’s long-term investment strategy. The Hospital holds deposits in excess of Federal Deposit Insurance Corporation limits. Uninsured, uncollateralized deposits were approximately \$25.2 million and \$8.1 million at June 30, 2013 and 2012, respectively. These deposits are held by creditworthy, high-quality financial institutions.

Net Patient Service Revenues and Patient Accounts Receivable — Patient accounts receivable are recorded on an accrual basis at established billing rates. The allowances for contractual adjustments and doubtful accounts are recorded on an accrual basis, using historical experience and established billing rates, to report patient accounts receivable at net realizable value in the consolidated balance sheets.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are estimated and accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital manages its collection risk by regularly reviewing its accounts and contracts and by providing appropriate allowances. Patient accounts receivable are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. In evaluating the collectability of accounts receivable, the Hospital estimates the allowance for doubtful accounts by major payor type, based on historical experience for each type. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. The Hospital’s allowance for doubtful accounts was \$6.8 million and \$7.0 million at June 30, 2013 and 2012, respectively.

The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2013 or 2012 (see Note 2).

Hospital Fee Program — Funds received and fees paid under the California Hospital Fee Program are recognized in the excess of revenues over expenses and other (losses) gains upon approval of each program segment by the Centers for Medicare and Medicaid Services (CMS). To the extent that funds have been received and fees have been paid prior to final CMS program approval, these amounts are carried in the consolidated balance sheets as Hospital Fee Program — deferred revenue and other liabilities and Hospital Fee Program Receivables, respectively. Funds or fees not received or paid after CMS program approval are carried in the consolidated balance sheets as Hospital Fee Program receivables and Hospital Fee Program — deferred revenue and other liabilities, respectively (see Note 16).

Pledges Receivable — Pledges due within 12 months are included in current assets and pledges due after 12 months are included in noncurrent assets. The pledges due in greater than one year are reported at net present value using risk-free interest rates at the date of such pledges, which vary between 0.12% and 5.1% in both fiscal years 2013 and 2012. Pledges are reported net of an estimated allowance for uncollectible amounts.

Inventories — Inventories are stated at the lower of cost or market value, which is determined using the weighted-average method, and are included in other current assets in the accompanying consolidated balance sheets. The carrying value of inventories is approximately \$6.8 million as of June 30, 2013 and 2012.

Property, Plant, and Equipment — Property, plant, and equipment acquired by purchase are recorded at cost. Donated items are recorded at estimated fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives by classification are as follows:

Land improvements	3–20 years
Buildings and improvements	5–40 years
Equipment	3–20 years

Asset Impairment — The Hospital periodically evaluates the carrying value of its long-lived assets for impairment. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment*, the evaluations address the estimated recoverability of the assets' carrying value. When the carrying value of an asset exceeds estimated recoverability, a write-down is recorded. No impairments were recorded during the years ended June 30, 2013 and 2012.

Assets Limited as to Use — Assets limited as to use primarily include investments of assets restricted by donors or designated by the Board for future capital improvements, patient care, research, and other uses. The net assets over which the Board retains control may subsequently be used for other purposes at the Board's discretion. Assets held by trustees under indenture agreements, escrow deposits, and various unitrusts are also included within assets limited as to use.

Investments consist primarily of equity and debt securities purchased by the Hospital and unitrusts for which the Hospital has been designated as trustee and beneficiary. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based upon publicly quoted market prices or quotations of similar securities. Investments for which readily determinable market values do not exist are recorded based upon the net asset value (NAV) per share of the underlying fund, determined by the Hospital, with the assistance of fund managers, the general partners, or third-party service providers, using methods and significant assumptions the Hospital considers appropriate based on its understanding of the underlying characteristics of the investments. These types of investments include private investment funds and commingled funds.

The Hospital classifies its investment portfolio as a trading portfolio, and as such, all unrestricted net unrealized holding gains or losses are recorded in other gains (losses) in the period in which they occur.

Investment income (which includes interest and dividends) and realized gains and losses are included in the excess of revenues over expenses and other gains (losses), unless the income or gain (loss) is restricted by donor or law. Such restricted investment income is included in the increase (decrease) in temporarily restricted net assets in the consolidated statements of changes in net assets.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets.

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those with donor-imposed restrictions that are to be maintained by the Hospital in perpetuity.

Donor-Restricted Gifts — Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the conditions are satisfied. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

Unitrust Agreements — The Hospital has been designated as trustee for several trusts. The trust agreements generally require the Hospital to make payments to beneficiaries based on stipulated interest rates, which range from 4.6% to 15.0% during both of the years ended June 30, 2013 and 2012, applied to the fair market value of the trust assets determined either annually or at inception of the trust.

Interest Rate Swap — The Hospital accounts for its interest rate swap in accordance with FASB ASC 815, *Derivatives and Hedging*, as amended and interpreted. FASB ASC 815 requires all derivatives to be recorded in the consolidated balance sheets at fair value as either assets or liabilities depending on the rights or obligations under the contract. FASB ASC 815 would require that changes in the fair value of derivative financial instruments that qualify to be recorded in operating income as offsets to the changes in fair values of the exposures being hedged. However, the Hospital has not designated its derivative financial instrument as a hedge. Accordingly, all unrealized gains and losses are recognized as other gains and losses in the accompanying consolidated statements of activities.

Grants and Contracts Revenues — Grants and contracts revenues generally are recognized as unrestricted revenues and grants receivable when the research or educational expenses are incurred.

Graduate Medical Education — The Hospital underwrites a large part of the cost of training allied health professionals, physicians, and residents in its emergency rooms, clinics, and inpatient areas. The Hospital recognized revenue of \$8.5 million and \$9.0 million in federal Graduate Medical Education funds during the years ended June 30, 2013 and 2012, respectively, which was included as part of grants, contracts, and other in the consolidated statements of activities.

Fund-Raising — The Hospital sponsors various fund-raising events in addition to the solicitation of grants and private donations. During the years ended June 30, 2013 and 2012, the Hospital incurred \$15.3 million and \$12.9 million, respectively, in fund-raising costs.

Income Taxes — The Hospital accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*. FASB ASC 740 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its consolidated financial statements uncertain tax positions that the company has taken, or expects to take, on a tax return. During the years ended June 30, 2013 and 2012, the Hospital did not record any liability for unrecognized tax benefits.

Recent Accounting Pronouncements — In October 2012, the FASB issued ASU 2012-05, *Statement of Cash Flows (Topic 230): Not-for-Profit Entities: Classification on the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*. This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash

flows. This guidance is effective for the Hospital beginning July 1, 2013, with early adoption permitted. The Hospital does not expect this guidance to have a material impact on its consolidated statement of cash flows.

In January 2013, the FASB issued ASU 2013-01, *Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities*. This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. The guidance is effective for the Hospital beginning July 1, 2013, with early adoption permitted. The Hospital does not expect this guidance to have a material impact on its consolidated balance sheet.

Subsequent Events — The Hospital has evaluated subsequent events through November 5, 2013, the date the consolidated financial statements were available to be issued, and has concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosures in the notes to the consolidated financial statements.

2. CHARITY CARE AND COMMUNITY SERVICES

It is the policy of the Hospital to strive to maintain quality health care delivery in a manner that respects the dignity of the individual and family, regardless of ability to pay. Consistent with the Hospital's tax-exempt status and community service responsibilities, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates.

Under the Hospital's policy, charity care may be provided to people who are uninsured or underinsured and cannot afford to pay for their own medical care. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Hospital provides additional community support through the unpaid cost of public programs, which is defined as the cost of treating California Medicaid ("Medi-Cal") program and indigent beneficiaries in excess of government payments. These costs are calculated through the Hospital's cost accounting system utilizing standard costing for the services provided and step-down cost allocation methodologies. During the years ended June 30, 2013 and 2012, the unpaid cost of Medi-Cal programs totaled \$153.5 million and \$119.5 million, respectively. The Medi-Cal program offsets some of these unpaid costs through the Disproportionate Share Hospital (DSH) program in the amounts of \$41.8 million and \$43.2 million during the years ended June 30, 2013 and 2012, respectively. In addition, the Hospital Fee Program provided revenue in the amounts of \$154.3 million and \$159.7 million gross of related expenses of \$35.0 million and \$47.9 million, in the years ended June 30, 2013 and 2012, respectively (see Note 16).

The Hospital underwrites part of the cost of research, which takes place in its facilities. The costs underwritten for research for the years ended June 30, 2013 and 2012, amounted to \$31.3 million and \$26.3 million, respectively.

As described in Note 1, the Hospital underwrites a large part of the cost of training allied health professionals, physicians, and residents in its facilities. The costs underwritten for training for the years ended June 30, 2013 and 2012, were \$17.7 million and \$22.5 million, respectively.

The Hospital also sponsors various community services to benefit the physically, mentally, and genetically disabled as part of its charitable mission. These services include parental counseling, educational seminars, family support groups, and an outreach organization for families administered by the Hospital in an agency relationship and funded by the State of California. Additionally, a large

number of health-related educational programs are provided for the benefit of the community, including health enhancements and wellness, telephone information services, and programs designed to improve the general standards of the health of the community.

3. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Hospital to concentrations of credit risk consist primarily of marketable securities, private investment funds, patient accounts receivable, and pledges receivable. The Hospital's investment portfolios are managed primarily by professional investment managers (see Note 14) within the guidelines established by the Board, which, as a matter of policy, limit the amounts that may be invested in any one issuer. Concentration of credit risk with respect to patient accounts receivable from non-government payors is limited due to the large number of payors composing the Hospital's patient base.

A significant portion of the Hospital's net patient care revenues is derived from Medi-Cal patients, comprising 71% and 71% (62% and 61% excluding the impact of the Hospital Fee Program revenues, which are included as part of Medi-Cal patient revenues, see Note 16) in the years ended June 30, 2013 and 2012, respectively. Inpatient services are reimbursed based upon contractually agreed-upon per-diem rates, while outpatient services are reimbursed based upon statewide fee schedules.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred providers, and other organizations. The basis for payment to the Hospital under these agreements includes prospectively determined daily rates, case rates, and discounts from established charges. A total of 29% and 29% (38% and 39% excluding the impact of the Hospital Fee Program revenues) in the years ended June 30, 2013 and 2012, respectively, of the Hospital's net patient care revenue is derived from these types of charges.

The California State Legislature has passed senate bills in order to provide for supplemental Medi-Cal payments to hospitals that serve a disproportionately high percentage of Medi-Cal and other low-income patients. As discussed in Note 2, the Hospital has recorded \$41.8 million and \$43.2 million in the years ended June 30, 2013 and 2012, respectively, in net patient service revenue relating to these senate bills.

Certain third-party payors provide for payments to the Hospital at a tentative rate, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the payors. Settlement amounts of \$751 thousand and \$1.2 million as of June 30, 2013 and 2012, respectively, are included in payables under government and state programs in the accompanying consolidated balance sheets.

The California Hospital Fee Program provided payments to the Hospital, net of related fees, of \$134.5 million and \$53.7 million in the fiscal years ended June 30, 2013 and 2012, respectively. For additional information on the Hospital Fee Program, see Note 16.

4. INVESTMENTS

The carrying amounts of investments as of June 30, 2013 and 2012, are as follows (in thousands):

	2013	2012
Current portion of trustee-held funds (Note 6)	<u>\$ 3,309</u>	<u>\$ 8,622</u>
Cash and cash equivalents	32,656	15,228
Mutual funds	122,006	110,331
Equity securities	79,243	66,513
Debt securities	18,882	9,946
Private investment funds	89,970	96,611
Commingled funds	<u>166,414</u>	<u>156,901</u>
Assets limited as to use	<u>509,171</u>	<u>455,530</u>
Total investments	<u>\$ 512,480</u>	<u>\$ 464,152</u>

The cash and cash equivalents included in investments at June 30, 2013 and 2012, represent cash held by the Hospital's investment managers that will be invested based on the Hospital's long-term investment strategy.

Investment income and gains and losses for assets limited as to use, cash equivalents, and other investments for the years ended June 30, 2013 and 2012, are composed of the following (in thousands):

	2013	2012
Investment income — net of fees	\$ 6,873	\$ 7,657
Realized gain on sale of investments — net	9,320	6,836
Unrealized gain (loss) on investments — net	<u>24,468</u>	<u>(11,938)</u>
Unrestricted net investment income	<u>40,661</u>	<u>2,555</u>
Investment income — net of fees	2,039	2,373
Realized gain on sale of investments — net	4,013	242
Unrealized gain (loss) on investments — net	<u>10,906</u>	<u>(5,017)</u>
Temporarily restricted net investment income (loss)	<u>16,958</u>	<u>(2,402)</u>
Total	<u>\$ 57,619</u>	<u>\$ 153</u>

5. PLEDGES RECEIVABLE

Outstanding pledges and contributions receivable from various corporations, foundations, and individuals as of June 30, 2013 and 2012, are reported net of an estimated allowance for uncollectible pledges and are as follows (in thousands):

	2013	2012
Pledges due:		
In less than one year	\$25,579	\$25,913
In one to five years	45,808	51,329
After five years	8,650	526
Discount on pledges	(5,292)	(2,988)
Allowance for uncollectible pledges	<u>(1,570)</u>	<u>(998)</u>
Total net pledges receivable	<u>\$ 73,175</u>	<u>\$ 73,782</u>

6. TRUSTEE-HELD FUNDS

As of June 30, 2012, the current portion of trustee-held funds included amounts deposited to pay interest for the Series 2009 and 2010 Revenue Bonds, as well as the portion of principal and interest on the Series 1993 Insured Revenue Certificates of Participation (the "1993 Certificates") due within 12 months of the year then ended. As of June 30, 2013, the current portion of trustee-held funds amounted to \$3.3 million and related to interest due on the Series 2010A Revenue Bonds.

7. PROPERTY, PLANT, AND EQUIPMENT

A summary of property, plant, and equipment as of June 30, 2013 and 2012, is as follows (in thousands):

	2013	2012
Buildings and improvements	\$1,036,744	\$1,012,474
Equipment	332,270	316,769
Accumulated depreciation	<u>(516,791)</u>	<u>(472,347)</u>
Total property, plant, and equipment	852,223	856,896
Construction in progress	33,314	24,478
Land	<u>25,551</u>	<u>25,551</u>
Property, plant, and equipment — net	<u>\$ 911,088</u>	<u>\$ 906,925</u>

In July 2011, the Hospital opened the Marion and John E. Anderson Pavilion, its new 317-bed patient tower, at a total cost of \$636 million. In addition to these 317 beds, 30 beds from the old patient tower are being maintained for patient use. The Hospital is utilizing the remaining vacated space in the old patient tower for other operational needs.

During the years ended June 30, 2013 and 2012, the Hospital recorded disposals of fully depreciated property, plant, and equipment of \$0 and \$22.8 million, respectively.

8. LONG-TERM DEBT

Long-term debt as of June 30, 2013 and 2012, consists of the following obligations (in thousands):

	2013	2012
Revenue Bond Series 2012, consisting of Series 2012A Revenue Bonds issued for \$120,760 with serial maturities between 2015 and 2034, interest payable semi-annually at various fixed rates, and Series 2012B Variable Rate Revenue Bonds issued for \$51,655, with serial maturities from 2019 to 2042, and interest payable monthly, both series collateralized by a pledge of gross revenues and a mortgage of the Hospital's real and personal assets, and other cash and investments, net of unamortized premium of \$9,730 and \$0 at June 30, 2013 and 2012, respectively	\$182,145	\$ -
Revenue Bond Series 2010, consisting of Series 2010A Revenue Bonds issued for \$135,515, which include both insured and uninsured bonds, with serial maturities between 2014 and 2038, interest payable semi-annually at various fixed rates, and Series 2010B Variable Rate Revenue Bonds issued for \$51,000, with serial maturities from 2038 to 2042, and interest payable monthly, both series collateralized by a pledge of gross revenues and a mortgage of the Hospital's real and personal assets, other than cash and investments, net of unamortized discount of \$688 and \$626 at June 30, 2013 and 2012, respectively The Series 2010B were fully refunded in August 2012 with proceeds of the 2012B Bond Series	134,826	185,889
Variable Rate Revenue Bonds Series 2009, issued at par for \$30,000, collateralized by a pledge of gross revenues, maturing in 2034, with interest payable semi-annually at a term rate of 3.42% for five years and subject to daily, weekly, or specified term rates thereafter These bonds were refunded in August 2012 with proceeds of the 2012A Bond Series		30,000
Revenue Bonds Series 2007, consisting of three series for \$53,100, \$52,800 and \$64,100, collateralized by a pledge of gross revenues, interest payable semi-annually at 5%, serial maturities through 2047 \$53,100 maturing in 2039, \$52,800 maturing in 2043, with the remaining balance maturing in 2047, net of unamortized premium of \$342 and \$424 at June 30, 2013 and 2012, respectively	170,343	170,424
Revenue Certificates of Participation Series 1999, consisting of \$11,010 Insured Serial Certificates and two uninsured term certificates for \$7,730 and \$90,435, collateralized by a pledge of gross revenues, interest payable semi-annually at rates ranging from 4% to 5.25%, remaining serial maturities through 2029, net of unamortized discount of \$0 and \$1,587 at June 30, 2013 and 2012, respectively In August 2010, \$6,200 was repaid with proceeds from the 2010A Bond Series The remaining \$98,165 was repaid in September 2012 with the proceeds of the 2012A Bond Series		96,578
Insured Revenue Certificates of Participation Series 1993, collateralized by a pledge of gross revenues, interest payable semiannually at rates ranging from 3% to 6%, serial maturities through 2013, net of unamortized premium of \$0 and \$16 at June 30, 2013 and 2012, respectively		4,586
Less portion classified as current		(4,570)
Long-term debt — net of current portion	<u>\$487,314</u>	<u>\$482,907</u>

On August 15, 2012, the Hospital issued California Health Facilities Financing Authority Revenue Bonds (Children's Hospital Los Angeles) for \$172.4 million, consisting of Series 2012A Revenue Bonds (the "Series 2012A Bonds") for \$120.8 million and Series 2012B Variable Rate Revenue Bonds (the "Series 2012B Bonds") for \$51.6 million. The bonds were issued at a premium of \$10.5 million. Financing costs are amortized over the life of the bonds. The Series 2012A Bonds bear fixed interest rates ranging from 3% to 5%, with interest payable semi-annually, and have serial maturity dates beginning in 2015–2034. The Series 2012B Bonds, which mature in 2042, are subject to a mandatory tender for purchase on the day following the last day of the initial Index Floating Rate Period, July 1, 2017. They have a floating interest rate based on the Securities Industry and Financial Markets Association, SIFMA, index, with a spread of 1.8%. Interest is payable monthly, with weekly rates ranging from 1.86% to 2.03%, annualized, for the year ended June 30, 2013. The proceeds from the Series 2012A and Series 2012B Bonds were used to refund (i) the outstanding principal amount of the Series 2010B Bonds (the "Series 2010B Bonds"), (ii) the outstanding principal amount of the Series 2009A Bonds (the "2009 Bonds"), and (iii) the outstanding principal amount of the 1999 Certificates.

On May 6, 2010, the Hospital issued \$186.5 million of California Health Facilities Financing Authority Revenue Bonds, consisting of \$135.5 million Series 2010A Bonds (the "Series 2010A Bonds"), maturing at varying dates between 2014 and 2038, and on May 12, 2010, issued \$51 million Series 2010B Bonds, maturing between 2038 and 2042. Financing costs are amortized over the life of

the bonds. Series 2010A Bonds include both insured and uninsured issues and bear interest at fixed rates, set between 4% and 5.25%, depending on the issue. Series 2010B Bonds bore interest at a variable rate, initially set at 3.626% and adjustable either daily, weekly, or for specified terms. Daily interest rates on the Series 2010B Bonds ranged from 0.19% to 0.35%, annualized, for the first two months of the year ended June 30, 2013, and 0.04% to 0.40%, annualized, for the year ended June 30, 2012. The proceeds of the Series 2010A and Series 2010B Bonds were used to refund (i) the outstanding principal amount of the Series 2008 Authority Insured Revenue Bonds (the “2008 Bonds”), (ii) the outstanding principal amount of the Series 2004 Authority Insured Revenue Bonds (the “2004 Bonds”), and (iii) a portion of the outstanding principal amount of the 1999 Certificates. In August 2012, the Series 2010B Bonds were refunded with the proceeds of the Series 2012B Bonds.

In order to facilitate the issuance of the Series 2010B Bonds, the Hospital provided credit enhancement through the issuance of an irrevocable, direct-pay letter of credit to guarantee payment of the aggregate principal and up to 50 days of accrued interest. The letter of credit was terminated with the refunding of the 2010B Bonds in August 2012.

On December 1, 2009, the Hospital issued \$30 million of California Statewide Communities Development Authority (the “Authority”) Variable Rate Revenue Bond Series 2009A consisting of \$30 million maturing on July 1, 2034. Financing costs were amortized over the life of the 2009 Bonds. The 2009 Bonds bore interest at variable daily and weekly rates at an initial term rate of 3.42% for a period of five years. Thereafter, the bonds were subject to variable daily, weekly, or term rates, until maturity. The proceeds of the 2009 Bonds were used to refund a portion of the outstanding principal amount of the 2008 Bonds, Series C, and to pay certain costs incurred in connection with the issuance of the bonds. In August 2012, the 2009 Bonds were refunded with the proceeds of the Series 2012A Bonds.

On April 1, 2007, the Hospital issued \$170 million of Authority Revenue Bonds consisting of \$53.1 million maturing on August 15, 2039, \$52.8 million maturing on August 15, 2043, and \$64.1 million maturing on August 15, 2047 (the “2007 Bonds”), pursuant to a master indenture dated December 1, 1993 (the “Master Indenture”), as amended by the Supplemental Master Indenture for Obligation No. 5. Financing costs are amortized over the life of the 2007 Bonds. Interest on the 2007 Bonds is 5%. The proceeds of the 2007 Bonds were used to (i) finance a portion of the costs of major expansion and modernization of the facilities, (ii) pay capitalized interest on the 2007 Bonds, and (iii) pay certain of the costs of issuance of the 2007 Bonds.

The Hospital entered into an interest rate swap agreement in September 2004, originally hedging all of its Series 2004B Bonds. With the repayment of the 2004 Bonds in 2010, the swap agreement, still in effect, was used to hedge the variable interest rate portion of the Series 2010B Bonds. With the repayment of the Series 2010B Bonds in 2012, the swap agreement is currently used to hedge the variable interest rate portion of the Series 2012B Bonds. This interest rate swap has a notional amount of \$48.1 million and matures on February 15, 2034. The agreement effectively adjusts the Hospital’s interest costs by swapping the variable interest rate on the Series 2012B Bonds to a fixed rate of 5.426%, which consists of the swap rate of 3.626% plus the initial Index Floating Rate Spread of 1.8% until maturity. The interest rate swap agreement had a fair value of \$(9.8) million and \$(15.7) million at June 30, 2013 and 2012, respectively, which represents the estimated amount the Hospital would pay to terminate the swap via a competitively priced assignment. Because the swap is not designated as a cash flow hedge in accordance with FASB ASC 815, the change in fair value is reported as interest rate swap mark-to-market gain (loss) in the accompanying consolidated statements of activities. As of June 30, 2013 and 2012, the Hospital has posted \$5.4 million and \$12.0 million, respectively, of collateral related to the swap agreement, which is included in other assets in the accompanying consolidated balance sheets.

On May 1, 1999, the Hospital issued \$109.2 million of Authority tax-exempt 1999 Certificates, evidencing the proportionate interests of the registered holders in the right to receive certain installment payments to be made by the Authority from payments to be received from the Hospital, in connection with the sale and purchase of certain real property and improvements between the Hospital and the Authority. The 1999 Certificates were issued as Obligation No. 2 pursuant to the Master Indenture. The proceeds received from the sale of the 1999 Certificates were used to (i) finance certain capital improvements and equipment acquisitions at the Hospital, (ii) pay capitalized interest on the 1999 Certificates, and (iii) pay the costs of delivering the 1999 Certificates. In August 2010, the Hospital repaid \$6.2 million of the principal due on these 1999 Certificates with proceeds received from the sale of Series 2010A Bonds, and in September 2012, the remaining \$98.2 million principal was repaid with the proceeds of the Series 2012A Bonds.

On December 1, 1993, the Hospital issued \$103.8 million of Authority tax-exempt 1993 Certificates, pursuant to the Master Indenture. The proceeds received from the sale of the 1993 Certificates were used to (i) advance refund the Hospital Revenue Bonds 1991 Series A, (ii) fund certain equipment acquisitions at the facilities, and (iii) pay certain costs relating to the execution and delivery of the 1993 Certificates. The 1993 Certificates included serial certificates maturing from 1994 to 2013 and term certificates maturing in 2023. The term certificates were refinanced with the proceeds of the 2004 Bonds in 2004. In 2007, the Hospital established an escrow account with sufficient funds to pay the remaining principal and interest on the outstanding 1993 Certificates. The balance of the escrow account at June 30, 2012 was \$4.8 million and as of June 1, 2013, the final payment on the debt obligation for these certificates was made. Principal and interest payments covered by escrowed funds are excluded from the annual debt service computation.

Pursuant to the Master Indenture, the Hospital has pledged its gross revenues as security for all of its long-term debt. The Master Indenture provides for limitations on the incurrence of additional indebtedness, unless certain conditions are met, and requires the Hospital to maintain certain financial ratios, including income available for debt service and number of days of unrestricted cash on hand. The Hospital complied with all covenant requirements pursuant to the Master Indenture at June 30, 2013 and June 30, 2012.

The aggregate principal maturities and sinking fund requirements of long-term debt as of June 30, 2013, are as follows (in thousands):

Years Ending June 30	
2014	\$ -
2015	6,600
2016	6,865
2017	7,165
2018	7,465
Thereafter	<u>449,835</u>
Total principal maturities	477,930
Net unamortized premium	<u>9,384</u>
Total	<u>\$487,314</u>

The premiums on the 2007 and 2012 Bonds and the 1993 Certificates, and the discounts on the 2010 Bonds and 1999 Certificates, are being amortized over their respective lives using the effective interest method. The 1993 Certificates were paid in June 2013. The 1999 Certificates and 2009 Bonds were refunded in August 2012 and a related loss on extinguishment of debt of \$5.3 million was recorded during the year ended June 30, 2013. Net discount and premium amortization during the years ended June 30, 2013 and 2012, amounted to \$641 thousand and \$125 thousand, respectively.

Cash paid for interest during the years ended June 30, 2013 and 2012, amounted to \$25 million and \$24 million, respectively. No capitalized interest was recorded or paid for the years ended June 30, 2013 and 2012.

9. COMMITMENTS AND CONTINGENCIES

Since 1994, the Hospital has been insured on a claims-made basis for both professional/general liability coverage and directors' and officers' coverage with per-claim deductible amounts of \$250 thousand and \$25 thousand, respectively. An estimated liability of claims incurred but not reported of \$3.7 million and \$3.5 million as of June 30, 2013 and 2012, respectively, has been accrued and is included in other noncurrent liabilities in the accompanying consolidated balance sheets.

The Hospital is self-insured for workers' compensation benefits for employees. Annual expense and funding under this program is based on past claims experience and projected losses. Insurance coverage, in excess of the per-occurrence, self-insured retention, has been secured with insurers. Actuarial estimates of uninsured losses for the workers' compensation program are \$16.9 million and \$15 million at June 30, 2013 and 2012, respectively, and include an estimate for claims incurred but not reported. These amounts are included in other noncurrent liabilities in the accompanying consolidated balance sheets, net of the current portions of \$2.5 million and \$3.2 million as of June 30, 2013 and 2012, respectively, which are included in salaries, wages, and related liabilities.

From time to time, the Hospital is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Hospital defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in its consolidated balance sheets, would not be material to the consolidated financial statements as a whole.

The Hospital leases certain facilities under operating leases with terms of one to ten years. Total expense on operating leases for the years ended June 30, 2013 and 2012, was \$8.2 million and \$7.7 million, respectively. Future payments under non-cancelable operating leases are as follows (in thousands):

Years Ending June 30

2014	\$ 4,244
2015	3,575
2016	2,894
2017	1,931
2018	1,452
Thereafter	<u>2,325</u>
Total	<u>\$ 16,421</u>

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2013 and 2012, are available for the following purposes (in thousands):

	2013	2012
Hospital programs	\$ 62,535	\$ 49,593
Capital projects	4,272	3,996
Pledges receivable for specific programs	<u>73,175</u>	<u>73,782</u>
Total temporarily restricted net assets	<u>\$ 139,982</u>	<u>\$ 127,371</u>

Permanently restricted net assets as of June 30, 2013 and 2012, are restricted to the following (in thousands):

	2013	2012
Hospital programs	\$ 140,970	\$ 139,149
Capital projects	<u>8,641</u>	<u>8,641</u>
Total permanently restricted net assets	<u>\$ 149,611</u>	<u>\$ 147,790</u>

The investment earnings from the permanently restricted net assets are restricted for Hospital clinical research and academic programs, as well as capital projects, while the corpus may not be expended.

As of June 30, 2013, the Hospital's endowment consists of 306 individual funds established for various purposes. The total endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Hospital has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Hospital and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments

- Other resources of the Hospital
- The investment policies of the Hospital

The endowment net assets composition by type of fund as of June 30, 2013 and 2012, is as follows (in thousands):

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (285)	\$ 15,370	\$ 149,611	\$ 164,696
Board-designated endowment funds	<u>405,699</u>	<u> </u>	<u> </u>	<u>405,699</u>
Total funds	<u>\$ 405,414</u>	<u>\$ 15,370</u>	<u>\$ 149,611</u>	<u>\$ 570,395</u>
 2012	 Unrestricted	 Temporarily Restricted	 Permanently Restricted	 Total
Donor-restricted endowment funds	\$ (674)	\$ 16,426	\$ 147,790	\$ 163,542
Board-designated endowment funds	<u>364,471</u>	<u> </u>	<u> </u>	<u>364,471</u>
Total funds	<u>\$ 363,797</u>	<u>\$ 16,426</u>	<u>\$ 147,790</u>	<u>\$ 528,013</u>

The changes in endowment net assets for the years ended June 30, 2013 and 2012, are as follows
(in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — July 1, 2011	<u>\$ 369,983</u>	<u>\$ 26,433</u>	<u>\$ 145,772</u>	<u>\$ 542,188</u>
Investment return:				
Investment income	14,493	1,896		16,389
Unrealized loss	<u>(11,938)</u>	<u>(4,522)</u>	<u> </u>	<u>(16,460)</u>
Total investment return	<u>2,555</u>	<u>(2,626)</u>	<u>-</u>	<u>(71)</u>
Contributions		314	2,501	2,815
Transfer to Board-designated endowment funds	36,708			36,708
Amounts appropriated for expenditure	<u>(45,449)</u>	<u>(7,695)</u>		<u>(53,144)</u>
Other changes — net	<u> </u>	<u> </u>	<u>(483)</u>	<u>(483)</u>
Endowment net assets — June 30, 2012	<u>363,797</u>	<u>16,426</u>	<u>147,790</u>	<u>528,013</u>
Investment return:				
Investment income	16,193	4,542		20,735
Unrealized gain	<u>24,468</u>	<u>1,087</u>	<u> </u>	<u>25,555</u>
Total investment return	<u>40,661</u>	<u>5,629</u>	<u>-</u>	<u>46,290</u>
Contributions		477	1,846	2,323
Transfer to Board-designated endowment funds	46,960			46,960
Amounts appropriated for expenditure	<u>(46,004)</u>	<u>(7,162)</u>		<u>(53,166)</u>
Other changes — net	<u> </u>	<u> </u>	<u>(25)</u>	<u>(25)</u>
Endowment net assets — June 30, 2013	<u>\$ 405,414</u>	<u>\$ 15,370</u>	<u>\$ 149,611</u>	<u>\$ 570,395</u>

The description of the amounts classified as restricted net assets as of June 30, 2013 and 2012, is as follows (in thousands):

	2013	2012
Permanently restricted net assets — the portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA:		
With purpose restrictions — not related to capital acquisitions	\$ 116,775	\$ 115,078
With purpose restrictions — for capital acquisitions	8,766	8,641
Without purpose restrictions	<u>24,070</u>	<u>24,071</u>
 Total endowment funds classified as permanently restricted net assets	 <u>\$ 149,611</u>	 <u>\$ 147,790</u>
 Temporarily restricted net assets — the portion of perpetual endowment funds under SPMIFA - with purpose restrictions	 <u>\$ 15,370</u>	 <u>\$ 16,426</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Hospital to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. These deficiencies resulted from unfavorable market fluctuations and/or continued appropriations for certain programs that were deemed prudent by the Hospital.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a real rate of return of greater than 5.5% (net of fees and adjusted for inflation) as calculated based on rolling five-year periods. Actual returns in any given year may vary from this amount.

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

The Hospital has a policy of appropriating for distribution each year a portion of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing its policy, the Hospital considered the long-term expected return on its endowment. The rate of appropriating for distribution was 4.75% and 5.0% for the fiscal years ended June 30, 2013 and 2012, respectively.

11. EMPLOYEE BENEFIT PLANS

The Hospital maintains a defined contribution plan for the benefit of its employees. All employees are eligible to defer a percentage of their salaries, up to the maximum amount allowed by the Internal Revenue Service. Employees who have satisfied minimum service requirements are eligible to receive an employer contribution from the Hospital. The Hospital matches 100% of employee contributions up

to the first 3% of employee pay for participating employees. The Hospital's contribution expense was \$6.6 million and \$6.0 million for the years ended June 30, 2013 and 2012, respectively.

12. REVENUES AND EXPENSES BY SEGMENT

Revenues and expenses by segment for the years ended June 30, 2013 and 2012, are as follows (in thousands):

	2013				
	Clinical	Research	Education	Foundation	Hospital
Revenues	\$ 707,256	\$ 65,465	\$ 45,946	\$ 47,454	\$ 866,121
Expenses	<u>(696,771)</u>	<u>(68,622)</u>	<u>(46,517)</u>	<u>(15,344)</u>	<u>(827,254)</u>
Subtotal	10,485	(3,157)	(571)	32,110	38,867
Overhead allocations	<u>45,633</u>	<u>(28,177)</u>	<u>(17,083)</u>	<u>(373)</u>	<u>-</u>
Excess (deficiency) of revenues over expenses	<u>\$ 56,118</u>	<u>\$ (31,334)</u>	<u>\$ (17,654)</u>	<u>\$ 31,737</u>	<u>\$ 38,867</u>
	2012				
	Clinical	Research	Education	Foundation	Hospital
Revenues	\$ 679,599	\$ 65,157	\$ 41,606	\$ 40,775	\$ 827,137
Expenses	<u>(660,871)</u>	<u>(60,762)</u>	<u>(42,044)</u>	<u>(12,907)</u>	<u>(776,584)</u>
Subtotal	18,728	4,395	(438)	27,868	50,553
Overhead allocations	<u>53,097</u>	<u>(30,694)</u>	<u>(22,030)</u>	<u>(373)</u>	<u>-</u>
Excess (deficiency) of revenues over expenses	<u>\$ 71,825</u>	<u>\$ (26,299)</u>	<u>\$ (22,468)</u>	<u>\$ 27,495</u>	<u>\$ 50,553</u>

Unallocated overhead and general and administrative expenses are included within clinical expenses.

As discussed in Note 3, the Hospital receives a significant portion of its revenues from Medi-Cal patients and programs related to Medi-Cal (DSH and the Hospital Provider Fee). The following table summarizes net patient service revenue by major payor source (in thousands):

	2013	2012
Medi-Cal	\$ 267,759	\$ 240,436
Hospital Provider Fee	154,296	159,708
DSH	<u>41,813</u>	<u>43,208</u>
Subtotal	463,868	443,352
Medicare		1,717
Managed care	170,140	164,723
Other	<u>17,443</u>	<u>14,275</u>
Net patient service revenue	651,451	624,067
Provision for doubtful accounts	<u>(6,220)</u>	<u>(8,263)</u>
Net patient service revenue less provision for doubtful accounts	<u>\$ 645,231</u>	<u>\$ 615,804</u>

13. VERSANT

On December 9, 2009, the Hospital's wholly owned subsidiary, Versant, sold substantially all of its assets and liabilities to Versant Holdings, Inc., a privately held third party, in exchange for cash, a note receivable, a portion of future income, and a 35% ownership stake in the acquiring organization. At that time, the Hospital recognized a gain on the sale of approximately \$1.1 million. In August 2010, Versant Holdings, Inc., notified the Hospital of its intent to exercise the buy-out clause of the sales transaction and on September 30, 2010, repurchased the 35% ownership of its own stock. As of May 13, 2011, all of Versant's remaining assets had been distributed to the Hospital, and on August 25, 2011, Versant was legally dissolved.

14. RELATED-PARTY TRANSACTIONS

During the years ended June 30, 2013 and 2012, fees totaling \$254 thousand and \$304 thousand, respectively, were paid to investment managers that had employees on the Board of the Hospital. These investment managers managed 18% and 24% of investments at June 30, 2013 and 2012, respectively.

Pediatric Management Group (PMG) is a California limited liability company that manages the practice of Children's Hospital Los Angeles Medical Group (CHLAMG), based at the Hospital. The Hospital has recorded receivables from PMG and/or CHLAMG in the amounts of \$5.3 million and \$4.6 million at June 30, 2013 and 2012, respectively, which are included in other current assets in the accompanying consolidated balance sheets. These receivables relate to expenses incurred by the Hospital on behalf of PMG and/or CHLAMG.

During the years ended June 30, 2013 and 2012, fees totaling \$2.6 million and \$2.7 million, respectively were paid for security services to a corporation whose president is married to a member on the Board of the Hospital.

During the years ended June 30, 2013 and 2012, fees totaling \$3.2 million and \$2.8 million, respectively, were paid for parking services to a corporation that is owned by a member of the Board of the Hospital.

During the years ended June 30, 2013 and 2012, fees totaling \$195 thousand and \$260 thousand, respectively, were paid for aviation services to a corporation that is owned by a member of the Board of the Hospital.

During the years ended June 30, 2013 and 2012, fees totaling \$1.0 million and \$1.7 million, respectively, were paid for banking services to two corporations, each of which employs one or more members of the Board of the Hospital.

A member of the Board of the Hospital is a partner at an accounting firm to which the Hospital paid \$249 thousand for consulting services in the year ended June 30, 2013. No such fees were paid in the year ended June 30, 2012.

From time to time, the Hospital offers loans to its leadership staff to assist them with housing costs associated with moving to the Los Angeles area. Each loan is written with specific terms addressing the mutual interests of both the borrower and the Hospital. As of June 30, 2013 and 2012, the Hospital had note receivable balances on such loans of \$291 thousand and \$361 thousand, respectively, from two different borrowers. These loans are interest free or interest bearing and payable or forgivable, ratably over a total life of not more than 10 years. The value of forgiven loans is reported as income to these leaders on an annual basis.

The Hospital also makes housing assistance payments directly to one physician leader, in the amount of approximately \$8 thousand per month, as a part of the relocation assistance package offered to this physician. These payments are reported as income to the physician on an annual basis.

15. FAIR VALUE MEASUREMENTS

Due to the short-term nature of cash and cash equivalents, patient accounts receivable, Hospital Fee Program balances, payables under government and state programs, accounts payable and accrued expenses, and salaries, wages, and related liabilities, their carrying value approximates their fair value.

Pledges receivable are discounted at the current market interest rate at the time of receipt, which approximates their fair value. The fair values of liabilities under unitrust agreements are determined by utilizing discount rates commensurate with the corresponding investments at the time of receipt, which approximate their fair value.

The fair values of the Hospital's long-term debt, including the 2012, 2010, 2009, and 2007 Bonds and the 1999 and 1993 Certificates, are based on current trading values at or near the last business day of the fiscal year. At June 30, 2013, the fair value was \$487 million, compared to the carrying value of \$487 million. At June 30, 2012, the fair value was \$499 million, compared to the carrying value of \$489 million.

The Hospital reports fair value measurements in accordance with ASC 820, which defines fair value, establishes a framework for measuring fair value in accordance with existing GAAP, and provides expanded disclosures about fair value measurements. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value and the level of market price observability.

Investments measured and reported at fair value using level inputs, as defined by ASC 820, are classified and disclosed in one of the following categories:

Level 1 — Quoted prices in active markets for identical investments available in active markets for identical investments as of the reporting date.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 — Pricing inputs are based upon the NAV per share (or its equivalent) of the underlying investment fund as provided by the investment manager. Investments included in this category include private investment funds for which the Hospital does not have the ability to redeem in the near term.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following is a description of valuation inputs and techniques that the Hospital utilizes to determine the fair value of each major category of assets and liabilities in accordance with ASC 820:

Mutual Funds — Registered with the Securities and Exchange Commission as mutual funds under the Investment Company Act of 1940. To the extent valuation adjustments are not applied, mutual funds are categorized as Level 1.

Equity Securities (United States and Foreign) — Equity securities that are actively traded on a securities exchange are valued based on quoted prices from the applicable exchange, and to the extent valuation adjustments are not applied to these securities, they are categorized as Level 1. Equity securities traded on inactive markets and valued using other observable inputs are categorized as Level 2.

Debt Securities (Asset-Backed Securities) — Asset-backed securities are valued using dealer quotations or price quotes from pricing vendors. To the extent that these inputs are observable and timely, the values of asset-backed securities are categorized as Level 2.

Debt Securities (Corporate Bonds) — Investment-grade bonds are valued using inputs and techniques, which include third-party pricing vendors, dealer quotations, and recently executed transactions in securities of the issuer or comparable issuers. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. Values for high-yield bonds are based primarily on pricing vendors and dealer quotations from relevant market makers. The dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit-quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds, and sector-specific trends. To the extent that these inputs are observable and timely, the values of corporate bonds are categorized as Level 2.

Debt Securities (Government Bonds) — Government bonds are valued using inputs and techniques, which include identification of similar issues and bond market activity. Prices are determined taking into account the bond's terms and conditions, including any features specific to that issue which may influence risk, and thus, marketability. To the extent that these inputs are observable and timely, the values of government bonds are categorized as Level 2.

Debt Securities (U.S. Treasury Notes and Trustee-Held Funds) — U.S. Treasury notes are valued based on prices provided by third-party vendors that obtain feeds from a number of live data sources, including active market makers and interdealer brokers. To the extent that the values are actively quoted, they are categorized as Level 1.

Investment Funds (Private Investment Funds and Commingled Funds) — Investment funds are valued based upon the NAV per share (or its equivalent) of the underlying fund as provided by the investment manager. To the extent that the Hospital has the ability to redeem its investment with the investment fund in the near term (i.e., 90 days or less) at NAV per share as of June 30, 2013, the values may be categorized as Level 2. To the extent that the Hospital does not have the ability to redeem its investment with the investment fund in the near term at NAV per share, the values are categorized as Level 3.

Derivative Instruments — The fair values of interest rate swaps are estimated using various inputs, including quotations from various dealers and counterparties, and pricing models that use certain observable inputs, such as the creditworthiness of the counterparties, default probabilities, yield curves, and credit curves. The pricing models utilized generally do not entail material subjectivity because the methodologies employed do not necessitate significant judgments. If the pricing inputs are observed from actively quoted markets, the derivative values are categorized as Level 2. Interest rate swaps are valued in accordance with the terms of each contract based on current interest rate spreads. Market standard pricing models are used for valuing interest rate swaps.

The following tables present information about the Hospital's assets and liabilities measured at fair value on a recurring basis as of June 30, 2013 and 2012, and indicate the fair value hierarchy of the valuation techniques utilized by management to determine such fair value:

	2013			
	Level 1	Level 2	Level 3	Total
Assets	(In thousands)			
Investments:				
Cash equivalents	\$ 32,656	\$ -	\$ -	\$ 32,656
Mutual funds:				
Global equity funds	49,340			49,340
Fixed-income funds	72,666			72,666
Equity securities:				
U.S. equity securities	69,584			69,584
Foreign equity securities	9,659			9,659
Debt securities:				
Asset-backed securities		1,137		1,137
Corporate bonds		2,324		2,324
Treasury notes	15,421			15,421
Private investment funds:				
Hedge funds — alternative investments		51,593	24,897	76,490
Private equity funds			10,822	10,822
Venture capital funds			2,658	2,658
Commingled funds:				
U.S. equity securities		27,806		27,806
Foreign equity securities		106,987		106,987
Fixed-income securities		31,621		31,621
Trustee-held funds	3,309			3,309
Total investments	\$252,635	\$221,468	\$38,377	\$512,480
Liabilities				
Interest rate swap liability	\$ -	\$ (9,762)	\$ -	\$ (9,762)

	2012			
	Level 1	Level 2	Level 3	Total
Assets	(In thousands)			
Investments:				
Cash equivalents	\$ 15,228	\$ -	\$ -	\$ 15,228
Mutual funds:				
Global equity funds	30,759			30,759
Fixed-income funds	79,572			79,572
Equity securities:				
U.S. equity securities	56,896			56,896
Foreign equity securities	9,617			9,617
Debt securities:				
Asset-backed securities		960		960
Corporate bonds		2,714		2,714
Treasury notes	6,272			6,272
Private investment funds:				
Hedge funds — alternative investments		47,279	34,652	81,931
Private equity funds			11,755	11,755
Venture capital funds			2,925	2,925
Commingled funds:				
U.S. equity securities		85,820		85,820
Foreign equity securities		26,377		26,377
Fixed-income securities		44,704		44,704
Trustee-held funds	8,622			8,622
Total investments	\$206,966	\$207,854	\$49,332	\$464,152
Liabilities				
Interest rate swap liability	\$ -	\$ (15,688)	\$ -	\$ (15,688)

The changes in the balances of Level 3 financial assets for the years ended June 30, 2013 and 2012, are as follows (in thousands):

	Private Investment Funds
Beginning balance — July 1, 2011	<u>\$ 50,021</u>
Net realized gain:	
Unrestricted realized gains — net	618
Temporarily restricted realized gains — net	<u>22</u>
Total net realized gain	<u>640</u>
Net unrealized gain:	
Unrestricted unrealized gains — net	947
Temporarily unrestricted realized gains — net	<u>398</u>
Total net unrealized gain	<u>1,345</u>
Purchases	13,507
Sales	(10,649)
Transfers into Level 3	2,200
Transfers out of Level 3	<u>(7,732)</u>
Ending balance — June 30, 2012	<u>49,332</u>
Net realized gain:	
Unrestricted realized gains — net	1,594
Temporarily restricted realized gains — net	<u>687</u>
Total net realized gain	<u>2,281</u>
Net unrealized gain:	
Unrestricted unrealized gains — net	1,284
Temporarily unrestricted realized gains — net	<u>573</u>
Total net unrealized gain	<u>1,857</u>
Purchases	19,361
Sales	(34,454)
Transfers into Level 3	
Transfers out of Level 3	<u> </u>
Ending balance — June 30, 2013	<u><u>\$ 38,377</u></u>

Transfers in or out are recognized based on the beginning fair value of the fiscal year in which they occurred. There were no significant transfers on investments between Level 1 and Level 2 during the years ended June 30, 2013 and 2012. Transfers to or from Level 3 investments during the year ended June 30, 2012, were a result of the lapse of the redemption lockout period. There were no transfers to or from Level 3 investments during the year ended June 30, 2013.

Included within the Hospital's investments are investments in certain entities that report fair value using a calculated NAV or its equivalent. The nature and risk of such investments as of June 30, 2013 and 2012, are as follows (in thousands):

	Fair Value 2012	Fair Value 2013	Unfunded Commitments 2012	Unfunded Commitments 2013	Redemption Frequency	Redemption Notice Period
Commingled funds (1)	\$156,901	\$166,414	\$ -	\$ -	Daily, semi-monthly, monthly	5-60 days
Hedge funds (2)	81,931	76,490			Quarterly, annually	45-60 days
Private equity funds & Venture Capital (3)	<u>14,680</u>	<u>13,480</u>	<u>1,748</u>	<u>1,358</u>	NA	NA
Total	<u>\$253,512</u>	<u>\$256,384</u>	<u>\$1,748</u>	<u>\$1,358</u>		

(1) This category includes investments in commingled funds that pursue diversification of both domestic and foreign fixed-income and equity securities through multiple investment strategies. The primary objective for these funds is to seek attractive long-term risk-adjusted absolute returns.

(2) This category includes investments in hedge funds that pursue diversification of both domestic and foreign fixed-income and equity securities through multiple investment strategies. The primary objective for these funds is to seek attractive long-term risk-adjusted absolute returns.

(3) This category includes investments in funds that make opportunistic investments that are primarily private in nature. These investments cannot be redeemed by the Hospital, rather the Hospital has committed an amount to invest in the private funds over the respective commitment periods. After the commitment period has ended, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets of the private fund.

16. HOSPITAL FEE PROGRAM

In January 2010, the State of California enacted legislation that provides for supplemental Medi-Cal payments to certain hospitals funded by a quality assurance fee paid by participating hospitals as well as matching federal funds (the "Hospital Fee Program"). In September 2010, this legislation was amended at the request of CMS. In October 2010, CMS substantially approved the program and the State of California began its implementation. The supplemental payments encompass fee-for-service payments directly from the California Department of Health Care Services as well as payments routed through managed care plans. Each of the fee-for-service and managed care segments require separate CMS approval.

To date, there have been three segments (or "rounds") of the Hospital Fee Program. The first round covered the 21-month service period from April 1, 2009 through December 31, 2010. The second round covered the six-month service period from January 1, 2011 through June 30, 2011, and the latest, third round, covers the 30-month period from July 1, 2011 through December 31, 2013. Each round of legislation is subject to CMS review and approval. Recognition in the financial statements of each round of the program is determined upon respective CMS program approval thereof. To date, CMS has approved all portions of the first and second rounds of the legislation as well as a major portion of the third round of legislation.

Supplemental payments related to the Hospital Fee Program in the amounts of \$154.3 million and \$159.7 million for the fiscal years ended June 30, 2013 and 2012, respectively, were recorded in patient service revenue — net of contractual allowances and discounts. Related program expenses in the amounts of \$35.0 million and \$47.9 million for the fiscal years ended June 30, 2013 and 2012,

respectively, were recorded in expenses — Hospital Fee Program, in the consolidated statements of activities.

The California Hospital Association created a private program, the California Health Foundation and Trust (CHFT), established for several purposes, one of which is aggregating and distributing financial resources to support charitable activities at various hospitals and health systems in California. Under a pledge agreement between the Hospital and CHFT, the Hospital expensed \$7.2 million and \$10.6 million in the fiscal years ended June 30, 2013 and 2012, respectively, into a grant fund established by CHFT. These expenses are included in the program expense totals noted in the preceding paragraph and in the consolidated statements of activities as part of expenses — Hospital Fee Program as of each respective date.

In June 2012, CMS granted approval for the fee-for-service portion of the third round of the Hospital Fee Program, and the Hospital accrued \$93 million in related net patient service revenues and \$34.9 million in related expenses for the fiscal year ended June 30, 2012 for this part of the program. The amounts accrued represented estimated amounts due and payable for the service period July 1, 2011, through June 30, 2012, and included \$7.2 million to be paid into the grant fund established by CHFT. As of June 30, 2012, \$93 million of accrued revenues and \$34.9 million of accrued expenses were included in Hospital Fee Program receivables and Hospital Fee Program — deferred revenue and other liabilities, respectively, in the consolidated balance sheets.

As of June 2013, CMS granted approval for substantially all of the managed care portion of the third round of the Hospital Fee Program and the Hospital accrued \$61.1 million in related net patient service revenue for the fiscal year ended June 30, 2013, in addition to amounts accrued for the fee-for-service portion of the program. As of June 30, 2013, \$53.4 million of accrued revenues and \$10.5 million of accrued expenses were included in Hospital Fee Program receivables and Hospital Fee Program — deferred revenue and other liabilities, respectively, in the consolidated balance sheet.

The Hospital collected cash in the amount of \$194.1 million and paid cash of \$59.5 million during the fiscal year ended June 30, 2013 for the combined fee-for-service and managed care portions of the Hospital Fee program. In the fiscal year ended June 30, 2012, the Hospital collected cash of \$12.9 million and paid cash of \$351 thousand for the program. As of June 30, 2013, \$53.4 million of accrued revenues and \$10.5 million of accrued expenses were included in Hospital Fee Program receivables and Hospital Fee Program — deferred revenue and other liabilities, respectively, in the consolidated balance sheet.

17. FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION

The Hospital was affected by the January 1994 Northridge earthquake. As a result, the Hospital negotiated with FEMA for the replacement of the Hospital's inpatient tower. Under the terms of the agreement, the Hospital would be reimbursed for eligible costs of rebuilding the facility up to \$110 million. The grant was subject to final settlement after submission of reports and audits thereof by FEMA. As of June 30, 2009, the Hospital had received \$89 million from this grant. In the fiscal year ended June 30, 2012, the Hospital received the final settlement of funds from this grant of \$10 million, which is recorded as an increase in unrestricted net assets in the consolidated statements of activities and changes in net assets.

* * * * *