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<div> <div>Form 990</div> <div>  </div> <div> Department of the Treasury Internal Revenue Service </div> </div>	<div> <div>Return of Organization Exempt From Income Tax</div> <div>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</div> <div> <div>▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.</div> <div>▶ Information about Form 990 and its instructions is at www.irs.gov/form990</div> </div> </div>	<div> <div>OMB No 1545-0047</div> <div>2013</div> <div>Open to Public Inspection</div> </div>
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A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Children's Hospital Medical Center of Akron		D Employer identification number 34-0714357	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) ONE PERKINS SQUARE Suite	Room/suite	E Telephone number (330) 543-8171	
	City or town, state or province, country, and ZIP or foreign postal code AKRON, OH 443081062			
			G Gross receipts \$ 755,838,346	
F Name and address of principal officer WILLIAM CONSIDINE ONE PERKINS SQUARE AKRON, OH 44203			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () <input type="checkbox"/> (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ AKRONCHILDRENS.ORG			H(c) Group exemption number ▶	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 1897	M State of legal domicile OH

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O, ATTACHMENT 1		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	33
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	22
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	5,046
	6 Total number of volunteers (estimate if necessary)	6	1,360
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	575,673
b Net unrelated business taxable income from Form 990-T, line 34	7b	-25,919	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	10,220,171	10,773,862
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	553,627,294	594,700,801
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,513,950	9,825,023
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,102,036	4,932,711
		577,463,451	620,232,397
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,054,261	1,393,760
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	345,699,871	371,542,167
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	196,448,680	205,118,776
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	545,202,812	578,054,703
	19 Revenue less expenses Subtract line 18 from line 12	32,260,639	42,177,694
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		790,401,684	991,299,797
21 Total liabilities (Part X, line 26)		395,714,258	448,720,836
22 Net assets or fund balances Subtract line 21 from line 20		394,687,426	542,578,961

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

Sign Here	Signature of officer				2014-11-13		
	MICHAEL P TRAINER CFO Type or print name and title				Date		
Paid Preparer Use Only	Prntt/Type preparer's name DIANE L BEAN		Preparer's signature		Date 2014-11-13	Check <input type="checkbox"/> if self-employed	PTIN P00104972
	Firm's name ▶ ERNST & YOUNG LLP US					Firm's EIN ▶	
	Firm's address ▶ 41 SOUTH HIGH STREET SUITE 1100 COLUMBUS, OH 43215					Phone no (330) 543-4251	
May the IRS discuss this return with the preparer shown above? (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

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1

Briefly describe the organization’s mission

THE MISSION OF CHILDREN'S HOSPITAL MEDICAL CENTER OF AKRON ("CHMCA") IS TO PROVIDE QUALITY MEDICAL AND SURGICAL CARE FOR BABIES, CHILDREN, ADOLESCENTS, AND BURN VICTIMS OF ALL AGES, REGARDLESS OF ABILITY TO PAY, MULTI-LEVEL PROFESSIONAL EDUCATION FOR STUDENTS OF MEDICINE, NURSING AND VARIOUS ALLIED HEALTH PROFESSIONALS, BASIC AND CLINICAL RESEARCH INTO THE CAUSES, TREATMENT AND CURE OF CHILDHOOD ILLNESS, INJURY AND BURN INJURY, COMMUNITY SERVICE INTENDED TO IMPROVE HEALTH STATUS THROUGH LAY EDUCATION, CHILD AND FAMILY ADVOCACY EFFORTS TO IMPROVE THE STATUS OF CHILDREN AND ADOLESCENTS IN OUR REGION OF SERVICE CHMCA PROVIDES QUALITY AND SAFETY FIRST WE ENCOURAGE PARENTS AND CAREGIVERS TO PLAY AN ACTIVE ROLE WITH THE HEALTH TEAM TO MAKE SURE YOU ARE HEARD, THE CHILD WILL BE SAFE, AND YOUR CHILD IS IN EXPERT HANDS WE MAKE EVERY EFFORT TO MAINTAIN AND IMPROVE THE QUALITY AND SAFETY OF THE CARE WE DELIVER THIS EFFORT IS A KEY PART OF OUR WORK WE, AT CHMCA, * ENCOURAGE AND EXPECT QUESTIO

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 \$ 155,682,129 including grants of \$) (Revenue \$ 114,073,646)
Program Achievement #1 - Subspecialty Physicians In keeping with Chmca's Mission to provide quality medical and surgical care for babies, children, adolescents, and burn victims of all ages, regardless of the ability to pay, CHMCA offers unique services in a broad range of pediatric subspecialties as described herein Some of CHMCA's Subspecialty areas include Ambulatory services, Heart Center, Neurosurgery, Sedation Service, ENT, Maternal Fetal Medicine, Care Center, Gastroenterology, Urology, Sports Medicine, Neurology, Nephrology, Endocnnology, Adolescent Medicine, Infectious Diseases, Hematology Services, Pulmonary Medicine, Palliative Care Program, Oak Adoptive Health Center, Locust Pediatrics, Rheumatology, Clinical Pharmacology and Toxicology, Psychiatric Services, Genetics, Orthopedics and Skeletal Dysplasis CHMCA has earned Best Children's Hospital rankings by US News & World Report in 7 of the 10 specialties These include cancer, diabetes and endocrinology, neonatology, neurology and neurosurgery, orthopedics, pulmonary and urology The Showers Family Center for Childhood Cancer and Blood Disorders provides comprehensive care to children, teens and young adults with all types of childhood cancer, sickle cell disease, hemoglobinopathies and bleeding/clotting disorders, as well as those who require stem cell/bone marrow transplants The team includes board-certified pediatric hematologists-oncologists, advance practice nurses, physician assistants, certified pediatric oncology nurses, pharmacists, social workers, clinical research associates, child life specialists, counselors and educators As a major teaching institution, CHMCA offers fellowship training in pediatric hematology-oncology and is a major pediatric teaching hospital affiliated with Northeast Ohio Medical University The division of hematology-oncology also actively participates in national clinical trials for childhood cancer and blood disorders, and continues to explore the causes and treatments of these diseases through our basic science research program As a member of the Children's Oncology Group (COG), we participate in the development of National Cancer Institute-approved treatment protocols and offer the most up-to-date cancer therapies Our cancer program in one of only 12 Pediatric Cancer Programs in the country as verified by the American College of Surgeons Commission on Cancer CHMCA's Center for Diabetes and Endocrinology consists of a team of board-certified pediatric endocnnologists, certified nurse practitioners and pediatric nurses who diagnose and treat infants, children and teens Recognized by the American Diabetes Association for Quality Self-Management Education, our center is backed by a full-service lab, registered dietitians, social worker, child psychologist and others The most common endocrine disorders we treat are diabetes, short stature, thyroid disease, metabolism disorders and pubertal disorders In addition, we offer specialized care in bone health, endocrine disorders in cancer survivors and cystic fibrosis patients CHMCA's Neonatology department offers intensive care to sick and premature newborns On any given day, there are 45 to 50 babies receiving care in the 59-bed neonatal intensive care unit (NICU) CHCMA's NICU team is committed to providing the most effective and efficient care for our tiny patients, as well as providing parents with the emotional and practical support they need CHMCA is part of the Vermont Oxford Network, a data-sharing collaboration of health professionals from 850 NICU's around the world who focus on research, education and projects that improve the quality and safety of medical care for newborns and their families CHMCA's neonatal expertise expands beyond the Level III NICU at our Akron Campus We also own and operate newborn special care nurseries at Akron General Medical Center and Summa's Akron City Hospital in Akron, Akron Children's Beeghly Campus in Boardman, and St Elizabeth Boardman Health Center A specially equipped ambulance and pediatric transport team handles the transfer of the newborns requiring Level III neonatal intensive care provided at CHMCA's in downtown Akron Research, education and quality improvement projects are integral to the department of Neonatology CHMCA's NeuroDevelopmental Science Center (NDC) brngs together 5 pediatric specialties - developmental-behavioral pediatrics, neurology, neurosurgery, physiatry, and behavioral neuropsychology, under one roof to deliver the best outcomes and quality of life for patients CHMCA's NDC is dedicated to easing the circumstances each step of the way, from referral to diagnosis to treatment Our goal is provide care that enriches the quality of life for children and families affected by neurological and developmental disorders CHCMA's Division of Orthopedics specializes in the diagnosis and surgical and/or non-surgical treatment of all types of bone, joint, muscle and spine disorders and injuries in children, teens and young adults Our experienced pediatric orthopedic surgeons offer complete care for conditions affecting the muscelskeletal system, with the support of pediatric nurse practitioners, nurses and orthopedic technicians This includes pediatric spine trauma and deformity, sports injury reconstruction, musculoskeletal neurology, congenital hand and musculoskeletal deformity, hip reconstruction, chest reconstruction, fragile bone evaluation and treatment, skeletal dysplasia, and brachial plexus treatment CHCMA's Robert T Stone Respiratory Center provides services for patients with all types of respiratory illnesses, including allergies, cystic fibrosis, bronchopulmonary dysplasia, and chronic respiratory failure The Center has a team of doctors, nurse practitioners, nurse clinicians, pulmonary function technicians, dieticians, physical therapists and a social worker We provide direct and consultative diagnosis and treatment, education, case management, and research Our Center includes cystic fibrosis center, which treats patients from birth through adulthood, asthma education program, pulmonary medicine, pulmonary function testing lab, sleep center, and cardiopulmonary exercise testing CHMCA's Pediatric Urology department diagnoses and treats children and teens with problems related to the genito-urinary systems Services include laser, laparoscopy, lithotnpsy and other minimally invasive techniques to treat diseases Our staff also uses urodynamic tests to show how well the bladder and sphincter muscles work and to help explain various urinary diseases	

4b	(Code) (Expenses \$ 97,954,730 including grants of \$) (Revenue \$ 156,107,090)
Program Achievement #2 - Inpatient Services 2013 2012 Total Inpatient Days 70,418 71,099 CHMCA's philosophy of care is centered around the families we serve This means we respect each child and family's individual needs and strive to make the hospital experience as pleasant as possible The routine care units, which consist of private rooms and accomodations for overnight stay by parents, are based upon the concept of family-centered care The primary focus of the facility is to provide an environment conducive to pediatric patients, aiding their recovery in a modern hospital setting Inpatient services include some of the following divisions Neonatal Intensive Care Unit, Pediatric Intensive Care Unit, Psychiatric Care, Regional Burn Center, and Trauma Services A 59-bed Regional Neonatal Intensive Care Unit (NICU) was opened in 1993 The NICU is designated as a Level III tertiary neonatal unit in Ohio's Pennatal Region VI A neonatologist is present in-house and around the clock, seven (7) days a week for referral and consultation A transport team from the NICU is also available at all times for transfer of patients by ambulance or helicopter from any one of the thirty-five (35) network hospitals in the area The Level III unit is divided into two sections (1) intensive care and (2) sub-intensive care Sub-intensive care includes convalescent care for babies ready to go home, as well as transitional level care babies who have been here for an extended period of time 2013 2012 Total NICU patient days Neonatal at Akron 17,904 18,295 Neonatal at AGMC 3,477 3,893 Neonatal at St E's 6,323 5,440 Neonatal at Beeghly 3,870 3,563 The Division of Pediatric Critical Care is responsible for overseeing and delivering care in the Pediatric Intensive Care Unit (PICU) Each year, the PICU cares for about 1,500 children and teens in Northeast Ohio with life-threatening medical and surgical problems The 25,200 square foot pediatric intensive care unit includes 23 private rooms with pull-out sofas to encourage parents to stay overnight Total patient days were 20,045 and 19,435 in 2013 and 2012, respectively Since 1978, the Burn Institute has provided specialized care for burn victims of all ages throughout Northeastern Ohio CHMCA is one of only two pediatric hospitals in the country that treat adult burn patients The Burn Institute is verified by the American Burn Association and The Committee on Trauma of the American College of Surgeons, which recognizes individual and institutional commitment to total burn care and a formal system for quality burn care delivery Each year, more than 250 burn victims are admitted to the Burn Center, which features 12 private patient rooms with bathrooms and accomodations for one parent or family member Each room is divided into zones designed to meet the needs of the patient, family and burn care team The unit also has a treatment room, physical therapy room, operating room and tub room The Burn Center comprehensively treats seriously burned victims by combining the skills of physicians, nurses, occupational therapists, physical therapists, dieticians, social workers, respiratory therapists, psychologists and psychiatrists Besides providing expert treatment, the center's staff is actively involved in burn research and burn care training for professional and community groups Total patient days for the burn center were 2,493 and 2,723 for 2013 and 2012, respectively The Division of Emergency/Trauma Services supplies the emergency care needs of children from birth to twenty-one (21) years of age As the sole pediatric institution in the area, the Division of Emergency/Trauma Services is the designated treatment center for all emergent pediatric problems Children from Akron and the surrounding counties in Northeast Ohio accounted for the majority of the 95,676 visits during 2013 A full-time attending pediatric emergency medicine specialist is on duty twenty-four (24) hours a day involved in the direct care of patients and teaching fellows, residents, and medical students The Division of Emergency/Trauma boasts one of the nation's first and most successful suture programs using specially trained technicians and nurses to do most of the suturing of lacerations in the emergency setting They see between 400-750 patients per month who need stitches Rounding out the specialized medical care in the Emergency Department are child life specialists who are accustomed to explaining procedures to children and comforting parents, social workers trained to identify needs of families and point them to helpful services, and chaplains and bereavement staff who are always on call CHMCA is verified as a pediatric trauma center by the American College of Surgeons The pediatric trauma verification is based on its ability to provide quality trauma care to trauma patients and their families from the time of injury, through the acute care phase, into the rehabilitation phase	

4c	(Code) (Expenses \$ 66,498,268 including grants of \$) (Revenue \$ 151,855,081)
Program Achievement #4 - Ancillary Some of the key departments of Ancillary include Centralized Core Lab, Microbiology/Virology labs, Cytogenetics, Radiology Diagnostic Imaging, Radiology MRI, Radiology CT, Radiology Ultrasound, Radiology Nuclear Medicine, Physical Therapy, Speech Pathology, Audiology, Occupational Therapy The Centralized Core Lab includes the Chemistry, Hematology, Coagulation, Urinalysis, Special Chemistry and Blood Bank laboratories The chemistry analyzers tests for more than 60 different substances found in blood, urine and cerebrospinal fluid specimens In addition to routine chemistries, testing is performed for therapeutic and immunosuppressive drug monitoring Instruments are selected to use the smallest amounts of blood for testing in order to minimize blood loss for our pediatric patients In addition to the CCL, laboratory services are provided by the Infectious Disease Laboratories (Microbiology, Virology, Immunology, and Molecular Diagnostics) The Radiology Division at CHMCA performs a full spectrum of diagnostic imaging procedures inclusive of Diagnostic/Fluoroscopic xrays, CT, Nuclear Medicine, Ultrasound, and MRI The Radiology division is staffed with licensed Diagnostic Imaging Technologists and all our Pediatric imaging procedures are read by qualified Pediatric Radiologists with Board Certification and CAQ credentials inclusive of expertise in specific radiology subspecialty areas of imaging In 2008, CHMCA opened our 32-bed acute care Akron Children's Hospital of Mahoning Valley, serving the needs of pediatric patients in the Youngstown and surrounding areas We opened a fully-equipped Radiology Department which includes all diagnostic imaging services that are offered on our main Akron campus CHMCA's physical and occupational therapists are devoted to providing quality care in the hospital and to outpatients, schools and community programs Our staff of pediatric therapists can provide specialized treatment from birth to age 21 We are affiliated with nine universities for teaching of students Incorporating the support of families and skills of various medical professionals, the Occupational Therapy, Physical Therapy, Speech, Audiology, and Social Services staffs strive to provide patients with the skills needed to overcome a variety of developmental, physical, and emotional disabilities The Family Child Learning Center (FCLC), a cooperative effort of CHMCA and Kent State University, offers a host of therapy and educational services to handicapped infants, preschoolers and their families Therapists and educators work together to significantly enhance the development of these children at an early age FCLC provides an educational training ground for graduate students in education, speech pathology, motor learning and physical and occupational therapy	

(Code) (Expenses \$ 146,206,548 including grants of \$ 1,393,760) (Revenue \$ 158,669,343)
Other Net Patient Services





















(Code) (Expenses \$ including grants of \$) (Revenue \$ 13,995,641)
Miscellaneous Department

4d	Other program services (Describe in Schedule O)			
(Expenses \$	146,206,548	including grants of \$	1,393,760) (Revenue \$	172,664,984)

4e	Total program service expenses ▶ 466,341,675
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Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see 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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV 	14b Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government 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 or 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 25a</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	Yes	
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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or 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		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	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		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	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	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 or note to any line in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	264	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	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.	5,046	
2b	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	
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, 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)?	Yes	
b	If "Yes," enter the name of the foreign country: CJ 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
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	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
6b	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).		
7a	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	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	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.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	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?		
12b	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.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	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 or note to any line 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		
	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		
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	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	Yes
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	Yes
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	No
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	No
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▶OH
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 ▶ALICIA LAMANCUSA ONE PERKINS SQUARE AKRON, OH 44203 (330) 543-8171

Check if Schedule O contains a response or note to any line in this Part VII ☐

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

Form **990** (2013)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	14,344,921	0	525,678

484

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4	Yes
---	-----

5		No
---	--	----

Section B. Independent Contractors

compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

WELTYBOLDT LLC, 3421 RIDGEWOOD RD SUITE 200 FAIRLAWN OH 44333	CONSTRUCTION CO	25,422,925
MARCUS THOMAS LLC, 4781 RICHMOND ROAD CLEVELAND OH 44128	BROADCAST MEDIA	4,531,096
WADSWORTH PEDIATRICS, 1225 HIGH STREET WADSWORTH OH 44281	PHYSICIAN FEES	1,586,847
WELTY BUILDING COMPANY, 3421 RIDGEWOOD ROAD FAIRLAWN OH 44333	CONSTRUCTION CO	1,039,696
PEDIATRIX MEDICAL GROUP, PO BOX 281034 ATLANTA GA 303841034	PHYSICIAN FEES	691,500

\$100,000 of compensation from the organization ➡25

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514		
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c	260,277				
	d	Related organizations	1d	6,051,071				
	e	Government grants (contributions)	1e	3,717,819				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	744,695				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		10,773,862				
Program Service Revenue	2a	SUBSPECIALTY PHYSICIANS	Business Code 900099	114,073,646	114,073,646			
	b	INPATIENT SERVICES	900099	156,107,090	156,107,090			
	c	ANCILLARY	621500	151,855,081	151,855,081			
	d	OTHER NET PATIENT SERVICES	900099	158,669,343	158,669,343			
	e	MISCELLANEOUS DEPARTMENT REVENUE	900099	13,995,641	13,995,641			
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		594,700,801				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	3,705,940			3,705,940	
4		Income from investment of tax-exempt bond proceeds	0					
5		Royalties	0					
6a		Gross rents	(i) Real	(ii) Personal				
		b	Less rental expenses					
		c	Rental income or (loss)	0	0			
		d	Net rental income or (loss)		0			
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses	140,385,927	13,400			
		c	Gain or (loss)	134,263,390	16,854			
		d	Net gain or (loss)	6,122,537	-3,454	6,119,083		6,119,083
8a		Gross income from fundraising events (not including \$ 260,277 of contributions reported on line 1c) See Part IV, line 18	a	1,345,214				
		b	Less direct expenses	b	1,325,705			
		c	Net income or (loss) from fundraising events		19,509			19,509
9a		Gross income from gaming activities See Part IV, line 19	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities		0			
10a		Gross sales of inventory, less returns and allowances	a					
		b	Less cost of goods sold	b				
		c	Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue		Business Code						
11a	CAFETERIA	722210	3,237,450			3,237,450		
b	PARKING DECK	812930	1,100,079			1,100,079		
c	PHARMACY	446110	575,673		575,673			
d	All other revenue							
e	Total. Add lines 11a-11d		4,913,202					
12	Total revenue. See Instructions			620,232,397	594,700,801	575,673	14,182,061	

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 or note to any line 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.	1,393,760	1,393,760		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	8,877,821	2,677,395	6,200,426	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	100,380		100,380	
7	Other salaries and wages.	281,174,051	249,721,104	31,452,947	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	25,947,447	22,626,177	3,321,270	
9	Other employee benefits.	37,438,993	29,414,219	8,024,774	
10	Payroll taxes.	18,003,475	15,594,901	2,408,574	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	684,182	61,609	622,573	
c	Accounting.	380,970		380,970	
d	Lobbying.	132,000		132,000	
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	458,150		458,150	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	30,466,206	22,231,033	8,235,173	
12	Advertising and promotion.	6,754,600	140,043	6,614,557	
13	Office expenses.	9,546,853	7,397,658	2,149,195	
14	Information technology.	6,330,907		6,330,907	
15	Royalties.	0			
16	Occupancy.	9,546,139	8,156,400	1,389,739	
17	Travel.	4,981,170	2,843,840	2,137,330	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	0			
20	Interest.	4,578,559		4,578,559	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	37,112,098	19,525,435	17,586,663	
23	Insurance.	11,186,429	11,186,429		
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	MEDICAL/SURGICAL SUPPLIES	49,691,283	49,559,829	131,454	
b	EQUIPMENT RENTAL/MAINTENANCE	15,279,302	7,183,537	8,095,765	
c	PROVISION FOR FRANCHISE FEE	9,036,494	9,036,494		
d	PROVISION FOR HCAP	2,812,546	2,812,546		
e	All other expenses	6,140,888	4,779,266	1,361,622	
25	Total functional expenses. Add lines 1 through 24e.	578,054,703	466,341,675	111,713,028	0
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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		26,980	1	27,930
	2	Savings and temporary cash investments		25,455,360	2	37,863,073
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		78,064,934	4	79,248,264
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		16,962,056	7	20,164,181
	8	Inventories for sale or use		5,588,486	8	6,348,662
	9	Prepaid expenses and deferred charges		5,214,851	9	5,335,245
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a663,753,984			
	b	Less accumulated depreciation	10b382,384,716	242,015,984	10c	281,369,268
	11	Investments—publicly traded securities		303,012,990	11	420,887,003
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		9,093,470	13	9,596,080
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		104,966,573	15	130,460,091
	16	Total assets. Add lines 1 through 15 (must equal line 34)		790,401,684	16	991,299,797
Liabilities	17	Accounts payable and accrued expenses		88,390,684	17	92,549,950
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		130,829,069	20	228,251,043
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		176,494,505	25	127,919,843
	26	Total liabilities. Add lines 17 through 25		395,714,258	26	448,720,836
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		344,595,513	27	476,691,196
	28	Temporarily restricted net assets		39,184,648	28	54,150,020
	29	Permanently restricted net assets		10,907,265	29	11,737,745
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		394,687,426	33	542,578,961
	34	Total liabilities and net assets/fund balances		790,401,684	34	991,299,797

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	620,232,397
2	Total expenses (must equal Part IX, column (A), line 25)	2	578,054,703
3	Revenue less expenses Subtract line 2 from line 1	3	42,177,694
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	394,687,426
5	Net unrealized gains (losses) on investments	5	11,861,523
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	93,852,318
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	542,578,961

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> 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: 34-0714357
Name: Children's Hospital Medical Center of Akron

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			
WILLIAM CONSIDINE PRESIDENT & CEO	40 0 10 0	X		X				1,785,893	0	-2,761
JOHN CROW MD CHAIRMAN,PEDIATRIC SURGERY	40 0 1 0	X						810,788	0	14,887
NORMAN CHRISTOPHER MD CHAIRMAN, DEPT OF PEDS	40 0 0 0	X						435,698	0	-1,634
ROBERT MCGREGOR MD CHIEF MEDICAL OFFICER	40 0 0 0	X						367,689	0	20,038
JEFFREY HORD MD DIRECTOR, HEMATOLOGY	40 0 0 0	X						333,271	0	6,497
MARY LINK DIRECTOR, GENERAL COUNSEL	40 0 2 0	X		X				322,822	0	16,682
MARY TOTH MD DIRECTOR, RHEUMATOLOGY	40 0 0 0	X						295,090	0	25,962
ROBERT STONE MD ASST CHAIR, COMM AFFAIRS	40 0 1 0	X						117,828	0	-5,701
RICHARD GRIGG DIRECTOR/CHAIRMAN	25 0 1 0	X		X				0	0	0
ROBERT TRABUCCO DIRECTOR/VICE CHAIRMAN	10 0 0 0	X		X				0	0	0
STEPHEN MYERS DIRECTOR/VICE CHAIR OF FINANCE	8 0 0 0	X		X				0	0	0
LAURA SHEEKS DIRECTOR/SECRETARY	2 0 0 0	X		X				0	0	0
ELINORE MARSH STORMER DIRECTOR	3 0 0 0	X						0	0	0
VIRGINIA ALBANESE DIRECTOR	6 0 0 0	X						0	0	0
ROBERT BERK DIRECTOR	5 0 0 0	X						0	0	0
SUSAN BERK DIRECTOR	17 0 1 0	X						0	0	0
JOHN P DELANEY DIRECTOR	1 0 1 0	X						0	0	0
PATRICIA GRANT DIRECTOR	2 0 0 0	X						0	0	0
WILLIAM HOPKINS DIRECTOR	6 0 0 0	X						0	0	0
ELLEN VOLLMAN DIRECTOR	1 0 0 0	X						0	0	0
DUANE ISHAM DIRECTOR	12 0 2 0	X						0	0	0
DALE KOBLENZER DIRECTOR	7 0 0 0	X						0	0	0
SCOTT LEVIN DIRECTOR	4 0 0 0	X						0	0	0
MELISSA MCGINNES DIRECTOR	13 0 1 0	X						0	0	0
PHILIP MAYNARD DIRECTOR	14 0 16 0	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			
GREGORY MCDERMOTT	13 0	X						0	0	0
DIRECTOR	1 0									
VIVIAN CELESTE NEAL	3 0	X						0	0	0
DIRECTOR	0 0									
RICHARD ROGERS	3 0	X						0	0	0
DIRECTOR	0 0									
DONALD SCHNEIDER	2 0	X						0	0	0
DIRECTOR	0 0									
DAVID SHOWERS	3 0	X						0	0	0
DIRECTOR	0 0									
DARREN WELLS	3 0	X						0	0	0
DIRECTOR	0 0									
WILLIAM WOOLDREDGE	10 0	X						0	0	0
DIRECTOR	2 0									
JOHN ORR	1 0	X						0	0	0
DIRECTOR	0 0									
SHAWN LYDEN	40 0			X				626,975	0	35,308
EXECUTIVE VP	2 0									
MICHAEL TRAINER	40 0			X				537,477	0	32,991
CHIEF FINANCIAL OFFICER	12 0									
GRACE WAKULCHIK	40 0			X				511,204	0	-11,228
CHIEF OPERATING OFFICER	4 0									
THOMAS OGG	40 0				X			354,414	0	19,228
CHIEF INFORMATION OFFICER	0 0									
AMY MANEKER	40 0				X			329,673	0	6,969
CHIEF MEDICAL INFOR OFFICER	0 0									
LISA AURILIO	40 0				X			306,517	0	25,083
VP, PATIENT SERVICES	4 0									
LINDA GENTILE	40 0				X			261,869	0	51,240
VP, SUPPORT SERVICES	0 0									
WALTER SCHWOEBLE	40 0				X			340,475	0	31,774
VP, HUMAN RESOURCES	0 0									
CYNTHIA DORMO	40 0				X			276,803	0	66,410
VP, DEPT OF PEDS	0 0									
SHARON HRINA	40 0				X			268,965	0	67,945
VP, MAHONING VALLEY ENTERPRISE	0 0									
CRAIG MCGHEE	40 0				X			179,878	0	14,803
VP, SURGICAL SUBSPECIALTY	0 0									
ROGER HUDGINS MD	40 0					X		1,469,430	0	17,550
DIRECTOR OF NEUROSURGERY	0 0									
ANTON MILO MD	40 0					X		1,346,971	0	24,460
DIRECTOR OF ENT	0 0									
MARK MCCOLLUM MD	40 0									
GENERAL PEDIATRIC SURGEON	0 0					X		1,114,061	0	25,246
PHILIP SMITH MD	40 0									
DIRECTOR OF HEART CENTER	0 0					X		1,062,358	0	18,459
ROBERT PARRY MD	40 0									
GENERAL PEDIATRIC SURGEON	0 0					X		888,772	0	25,470

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization Children's Hospital Medical Center of Akron	Employer identification number 34-0714357
---	--

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. 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—2013. 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—2012. 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. 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—2012. 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. 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		
Return Reference	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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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 Medical Center of Akron

Employer identification number
34-0714357

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)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<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)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
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?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		124,889
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities?	Yes		132,000
	j Total Add lines 1c through 1i			256,889
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
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

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

Return Reference	Explanation
Part II-B, Line 1	CHILDREN'S HOSPITAL MEDICAL CENTER OF AKRON ("CHMCA") PAID A TOTAL OF \$587,214 TO OTHER ORGANIZATIONS OF THAT AMOUNT, \$330,425 PERTAINED TO DUES, \$124,889 RELATED TO VARIOUS LOBBYING EXPENSES AND \$132,000 WAS PAID OUT FOR LOBBYING EFFORTS AND VARIOUS COMMUNICATIONS THEY HAD ON BEHALF OF CHMCA WITH LEGISLATURES THOSE COMMUNICATIONS AND LOBBYING EFFORTS INVOLVE THE FOLLOWING * THE LOBBYIST CONDUCTED WEEKLY CALLS TO THE CENTER FOR MEDICARE AND MEDICAID SERVICES ("CMS") FOR UPDATES ON THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT ("TEFRA") REBASING REVIEW * BEGAN DISCUSSIONS WITH CONGRESSMAN TIM RYAN TO EXPLORE OPTIONS FOR CONGRESSIONAL INTERVENTION WITH CMS ON THE TEFRA ISSUE * WORKED WITH THE OHIO CHILDREN'S HOSPITAL ASSOCIATION ON 340(B) ISSUE AND ENGAGED IN OUTREACH TO MEMBERS AND STAFF (IN OHIO AND ACROSS THE COUNTRY) TO BRING AWARENESS TO THE HEALTH RESOURCES AND SERVICES ADMINISTRATION AGENCY POLICY NOTICE THAT THREATENED 340(B) ELIGIBILITY FOR CHMCA AND MANY OTHER HOSPITALS ACROSS THE COUNTRY * CMS NOTIFIED CONGRESSMAN RYAN THAT A FINAL DECISION HAD BEEN REACHED REGARDING AKRON CHILDREN'S HOSPITAL TEFRA REBASING REQUEST AND THE FINDINGS WERE FAVORABLE THIS WAS AN UNPRECEDENTED DECISION AND TO IMPLEMENT THE CHANGES WOULD TAKE SEVERAL WEEKS * PARTICIPATED IN ADVOCACY PLANNING MEETINGS * MET WITH CONGRESSIONAL OFFICES TO PROTECT THE CURRENT CHILDREN'S HOSPITAL GRADUATE MEDICAL EDUCATION PROGRAM ("CHGME") FUNDING LEVELS IN A PROPOSED OMNIBUS FY 13 LEGISLATION OR A CONTINUING RESOLUTION AND TO PROMOTE FLAT OR INCREASED FUNDING FOR CHGME IN 2014 APPROPRIATIONS LEGISLATION AS WELL AS MAINTAINING FULL MEDICAID FUNDING SUPPORT THREATENED BY SEQUESTRATION * MET WITH CONGRESSIONAL OFFICES IN CHMCA'S REGION TO SHARE INFORMATION ON THE NATIONAL DATABASE OF NURSING QUALITY INDICATORS AWARD (NDNQI) CHMCA, BOARDMAN--RESULTING IN CONGRESSIONAL RECORD RECOGNITION OF THE NATIONAL NURSING AWARD THE FOLLOWING ARE 2013 LOBBYING EXPENSES ASSOCIATION OF AMERICAN MEDICAL COLLEGES \$ 213 NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS 20,528 AMERICAN HOSPITAL ASSOCIATION 10,186 OHIO CHILDREN'S HOSPITAL ASSOCIATION 83,200 OHIO HOSPITAL ASSOCIATION 3,762 CITIZEN'S FOR AKRON COMMITTEE 2,000 PARTNERS ADVANCING AKRON'S FUTURE 5,000 ----- TOTAL 124,889 LOBBYIST - CAPITAL CONSULTING GROUP 60,000 LOBBYIST - WALSH CAPITOL CONSULTING 72,000 ----- 256,889 ASSOCIATION OF AMERICAN MEDICAL COLLEGES, NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND AMERICAN HOSPITAL ASSOCIATION ARE NATIONAL ORGANIZATIONS THAT CHILDREN'S HOSPITAL MEDICAL CENTER OF AKRON HAS MEMBERSHIP ALONG WITH OTHER HOSPITALS AS MEMBERS, THESE NATIONAL ORGANIZATIONS EXPRESS CONCERNS OF HEALTHCARE PROVIDERS IN ADVOCACY AND REPRESENTATION TO NATIONAL AND/OR STATE LEGISLATURES ON HEALTHCARE ISSUES THAT AFFECT US AS AN EXAMPLE, THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES HAS BEEN SUCCESSFUL IN MINIMIZING GRADUATE MEDICAL EDUCATION SPENDING CUTS IN THE FEDERAL BUDGET LEGISLATION THE NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND AMERICAN HOSPITAL ASSOCIATION HAVE BEEN A CONSTANT AND PERSUASIVE VOICE IN CHAMPIONING THE NEEDS OF CHILDREN AND THE HOSPITALS THAT CARE FOR THEM OHIO CHILDREN'S HOSPITAL ASSOCIATION AND OHIO HOSPITAL ASSOCIATION ARE STATE OF OHIO ORGANIZATIONS THAT EXPRESS THE VIEWS OF OHIO CHILDREN'S HOSPITALS FOR MEDICAID AND CHILD HEALTHCARE ISSUES LOCAL AGENCIES IN SUMMIT COUNTY, OHIO PROVIDE SERVICES TO RESIDENTS AS A CORPORATE CITIZEN, THE EFFECT OF THE SUCCESS OR FAILURE OF THESE ISSUES HAS IMPLICATIONS ON OUR BUSINESS AND SERVICES WE PROVIDE

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

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.** ▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization Children's Hospital Medical Center of Akron	Employer identification number 34-0714357
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Part I

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

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

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) 2013

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	55,185,519	48,292,758	42,191,502	37,902,948	30,651,078
b Contributions	12,047,723	7,590,996	11,512,095	4,684,218	3,667,095
c Net investment earnings, gains, and losses	8,291,351	3,474,164	-1,529,858	3,511,833	7,080,419
d Grants or scholarships					
e Other expenditures for facilities and programs	3,611,958	4,172,399	3,880,981	3,907,497	3,495,644
f Administrative expenses					
g End of year balance	71,912,635	55,185,519	48,292,758	42,191,502	37,902,948

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment

9 690 %

b Permanent endowment

16 320 %

c Temporarily restricted endowment

73 990 %

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)	Yes	
3b	Yes	
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		11,639,887		11,639,887
b Buildings		330,235,282	204,109,023	126,126,259
c Leasehold improvements		5,498,589	3,085,961	2,412,628
d Equipment		257,202,593	172,774,360	84,428,233
e Other		59,177,633	2,415,372	56,762,261
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				281,369,268

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

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.

Return Reference	Explanation
Part V, Line 4 - Intended Use of Endowment Funds	Temporarily restricted funds are subject to purpose restrictions imposed by the donor. These funds are held until the specific purpose is met and they are released from restrictions. Permanently restricted funds are funds that are invested in perpetuity and are not available to fund any current operations. The earnings from the endowment funds can be used for the specific purpose imposed by the donor. The Board Designated funds include funds from unrestricted sources that have been internally designated to function as endowments. These funds are to be used for the sole purpose as they are designed for. CHMCA does have a policy in place to monitor all unrestricted, temporarily and permanently restricted funds.
Part XIII - Supplemental Financial Information	CHMCA prepares consolidated financial statements with their affiliated subsidiaries. CHMCA adopted FIN 48 in 2007 and no disclosures were required under GAAP as CHMCA does not have any material tax contingencies that required disclosures in the footnotes.

[illegible]

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.

► Attach to Form 990. ► See separate instructions.

► Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number

34-0714357

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Central America and the Caribbean			Investments		9,537,535
(2) Middle East and North Africa			Investments		200,000
(3)					
(4)					
(5)					
3a Sub-total					9,737,535
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					9,737,535

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

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

Part III

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

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒

Yes

☐

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐

Yes

☒

No

Additional Data

Software ID:

Software Version:

EIN: 34-0714357

Name: Children's Hospital Medical Center of Akron

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

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

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1

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

a

☐ Mail solicitations

e

☐ Solicitation of non-government grants

b

☐ Internet and email solicitations

f

☐ Solicitation of government grants

c

☐ Phone solicitations

g

☐ Special fundraising events

d

☐ In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No

b

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

3

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

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

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))	
			<u>GIFT SHOP</u> (event type)	<u>CHARITY BALL</u> (event type)	<u>2</u> (total number)		
	1	Gross receipts	1,072,951	186,930	345,610	1,605,491	
	2	Less Contributions		140,198	120,079	260,277	
	3	Gross income (line 1 minus line 2)	1,072,951	46,732	225,531	1,345,214	
Direct Expenses	4	Cash prizes					
	5	Noncash prizes					
	6	Rent/facility costs					
	7	Food and beverages					
	8	Entertainment					
	9	Other direct expenses	840,956	100,224	384,525	1,325,705	
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶					(1,325,705)
	11	Net income summary Subtract line 10 from line 3, column (d) ▶					19,509

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	<div>Volunteer labor</div> <div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Subtract line 7 from line 1, 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. 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).

Return Reference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

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 <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 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 <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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)			4,610,443	693,031	3,917,412	0 680 %
b Medicaid (from Worksheet 3, column a)			262,745,331	191,945,495	70,799,836	12 250 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			1,465,613	1,465,613		
d Total Financial Assistance and Means-Tested Government Programs			268,821,387	194,104,139	74,717,248	12 930 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			6,838,390	22,898	6,815,492	1 180 %
f Health professions education (from Worksheet 5)			19,949,286	12,466,046	7,483,240	1 300 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			484,754	421,101	63,653	0 080 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			465,683		465,683	0 080 %
j Total Other Benefits			27,738,113	12,910,045	14,828,068	2 640 %
k Total . Add lines 7d and 7j			296,559,500	207,014,184	89,545,316	15 570 %

Part IICommunity 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						
2Economic development			21,877		21,877	
3Community support			171,760	15,510	156,250	0.030 %
4Environmental improvements			619		619	
5Leadership development and training for community members			76,393	19,202	57,191	
6Coalition building			44,787	1,068	43,719	
7Community health improvement advocacy			143,455	157	143,298	0.020 %
8Workforce development			14,400		14,400	
9Other						
10Total			473,291	35,937	437,354	0.050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

8,161,850

3Enter 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

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

7,624,300

6Enter Medicare allowable costs of care relating to payments on line 5.

6

8,573,105

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-948,805

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "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 IVManagement 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				

Section A. Hospital Facilities

Name, address, primary website address,
and state license number

Schedule H (Form 990) 2013

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)

Facility Group A - CHMCA

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility 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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility			
b <input checked="" type="checkbox"/> Demographics of the community			
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d <input checked="" type="checkbox"/> How data was obtained			
e <input checked="" type="checkbox"/> The health needs of the community			
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs			
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests			
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs			
j <input type="checkbox"/> Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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	Yes	
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 <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See part V, Section C for full URL</u>			
b <input type="checkbox"/> Other website (list url) _____			
c <input checked="" type="checkbox"/> Available upon request from the hospital facility			
d <input type="checkbox"/> 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 as of the end of the tax year)			
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b <input checked="" type="checkbox"/> Execution of the implementation strategy			
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan			
d <input type="checkbox"/> Participation in the execution of a community-wide plan			
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans			
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA			
g <input checked="" type="checkbox"/> Prioritization of health needs in its community			
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i <input checked="" type="checkbox"/> 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>200</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>300</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 <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input type="checkbox"/> Insurance status					
e <input type="checkbox"/> Uninsured discount					
f <input type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input checked="" type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> 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 individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
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 individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
- d

☒

Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19	Yes	
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		
a	<input type="checkbox"/>	
b	<input type="checkbox"/>	
c	<input type="checkbox"/>	
d	<input type="checkbox"/>	
The hospital facility did not provide care for any emergency medical conditions		
The hospital facility's policy was not in writing		
The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
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	<input type="checkbox"/>	
b	<input type="checkbox"/>	
c	<input type="checkbox"/>	
d	<input checked="" type="checkbox"/>	
The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
Other (describe in Part VI)		
21		No
During the tax year, did the hospital facility charge any FAP-eligible individual 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		
22		No
During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?		
If "Yes," explain in Part VI		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

	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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See Part V, Section C for full URL</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> 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 as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input checked="" type="checkbox"/> 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 free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used	10	Yes		
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 % 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 <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input type="checkbox"/> Insurance status					
e <input type="checkbox"/> Uninsured discount					
f <input type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input checked="" type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> 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 individual's eligibility under the facility's FAP				
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
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 individual's eligibility under the facility's FAP?			17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
- d

☒

Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Section C)

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	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individual 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 individual 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 D. 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? 37

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
Part I, Line 6a - Related Organization	For the past several years, the hospital has prepared and filed a community benefit report with the Ohio Hospital Association for the hospital and its affiliates The Community Benefit Report for Children's Hospital Medical Center of Akron (#1) & Children's Specialty Care Nursery (#3) as well as the Community Benefit Report for the Children's Hospital Medical Center of Akron - Mahoning Valley at Beeghly (#2) & Children's at St Elizabeth (#4) was posted to the Children's Hospital Medical Center of Akron website, making it available to the public
Part I, Line 7, column (e) - Exclusions from % of Total Expenses	Bad Debt expenses of \$15,861,744 is included in the 990, Part IX, Line 25, but excluded from the percentage calculation on Schedule H, Part I, Line 7 (f) and Part II, column (e)

Form and Line Reference	Explanation
Part I, Line 7 (a) Charity Care @ Cost	We believe that applying a cost-to-charge ratio developed for the hospital facility from the Ohio Medicaid cost report to hospital charity charges, as reported in detail schedules used in the preparation of the Audited Consolidated Financial Statements and other information is the most accurate costing methodology to calculate gross charity care at cost for the period. Total hospital costs from the Ohio Medicaid cost report used in this calculation include only allowable and reimbursable costs. The Ohio Hospital Care Assurance Program (HCAP) is a mechanism to provide additional payments to hospitals that provide a disproportionate share of uncompensated care to the indigent and uninsured. The estimated HCAP amount applicable to charity care is reported as direct offsetting revenue to charity care expense.
Part I, Line 7 (b) Unreimbursed Medicaid & 7 (c) Other Means Tested	We believe that reporting program charges, costs and payments directly from CHMCA's Ohio Medicaid cost report along with similar calculations for services rendered by hospital employed physicians and other professional providers and services rendered to out-of-state Medicaid enrollees is the most accurate methodology to calculate unreimbursed Medicaid and other means-tested government program costs. Medicaid costs reported as Total community benefit expense have been reduced by estimated health professions costs included in the Ohio Medicaid cost report and Medicaid revenues reported as direct offsetting revenue has been reduced by estimated Medicaid revenues related to health professions education. To avoid double counting of costs reported elsewhere in this schedule, gross costs for other reportable items have been reduced by the total government payor mix percentage of (51.8%) as reported on our internal payor mix report.

Form and Line Reference	Explanation
Part I, Line 7g - Subsidized Health Services	Children's Hospital Medical Center of Akron (CHMCA) is a free-standing children's hospital and an Ohio Medicaid disproportionate share hospital that provides specialty care to pediatric patients in our service area. In addition to providing this care to pediatric patients, the hospital provides care to both adult and pediatric patients in our Regional Burn Center. As a result, the unreimbursed costs of providing subsidized services to Medicaid enrollees in our neonatal intensive care, pediatric intensive care, distinct part psychiatric care, burn intensive care, outpatient End Stage Renal Disease program, as well as our emergency and trauma services are reported as unreimbursed Medicaid costs. The unreimbursed costs of treating Medicare and Medicare Advantage Plan enrollees in our Regional Burn Center and End Stage Renal Disease programs are reported in Part III, Section B - Medicare.
Part I, Line 7f - Health Professions Education	The total costs of health professions education is reported as a total community benefit expense and direct offsetting revenues including Medicare and estimated Medicaid revenues related to health professions education.

Form and Line Reference	Explanation
Part II - Community Building Activities	Everything done by Children's Hospital Medical Center of Akron provides a benefit to the communities we serve. Our primary benefit to each community is providing health care to the children in the region we serve. In addition, we also provide community building activities as depicted in Part II of this schedule. Our efforts are directed specifically at multiple levels, including Leadership development, under which we support various community-based programs that specifically develop young leaders, including such programs as Leadership Akron (for community leadership) and the Child & Family Leadership Exchange (for clinical and social service leadership), General community support, under which we provide financial and staff support for various community based initiatives, generally related to the healthy development of young people and their families in the service area, Community health improvement, under which we support a number of multi-agency and governmental initiatives to encourage fitness activities, health screenings, and related activities, Workforce development, under which we assist in public-private partnerships that educate children about careers in the full range of health care, from skilled trades to medicine and nursing.
Part III, Line 2 & 4 - Bad Debt Expense Explanation	We believe that applying a cost-to-charge ratio developed for the hospital facility from the Ohio Medicaid cost report to CHMCA's provision for bad debts is the most accurate costing methodology to calculate bad debt at cost for the period. Total hospital costs from the Ohio Medicaid cost report used in this calculation include only allowable and reimbursable costs. The Ohio Hospital Care Assurance Program (HCAP) is a mechanism to provide additional payments to hospitals that provide a disproportionate share of uncompensated care to the indigent and uninsured. Gross bad debt expense has been reduced by the estimated HCAP amount applicable to bad debt expense. The estimated amount of bad debt at cost attributable to patients eligible under the organization's charity policy is \$-0-. CHMCA's charity care policy requires that patients apply for charity care. CHMCA ENCOURAGES PATIENTS TO APPLY FOR FINANCIAL ASSISTANCE AND PROVIDES PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE AS DESCRIBED IN PART VI, ITEM 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE. The following is the text of the footnote to CHMCA's financial statements that describes charity care and bad debts: "CHARITY CARE - Children's has calculated charity care at cost by utilizing a ratio of cost to gross charges applied to gross uncompensated charges associated with providing care to charity patients. Charity care at cost was approximately \$4.615 million and \$5.153 million for 2013 and 2012, respectively. Children's participates in the Hospital Care Assurance Program (HCAP). Ohio created HCAP to financially support those Ohio hospitals that service a disproportionate share of low-income patients unable to pay for care. HCAP funds basic, medically necessary hospital services for patients whose family income is at or below the federal poverty level, which includes patients without health insurance. Children's received gross amounts under HCAP of \$11.484 million and \$10.482 million in 2013 and 2012 respectively. However, as shown in the consolidated statements of operations and changes in net assets, Children's recorded a HCAP assessment of \$2.813 million and \$2.512 million in 2013 and 2012 respectively. Total HCAP funds at the state level go into a state formula with assessments from all participating hospitals which are then disbursed based on factors outside of Children's control. Any subsequent reimbursements are recognized as revenue on the consolidated statements of operations and changes in net assets when Children's is entitled to them and payment is probable." "Policy for Assessing Timing and Amounts of Uncollectible Accounts - Children's estimation of the allowance for uncollectible accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of Children's collection efforts. Children's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as these charges are recorded. On a periodic basis, Children's reviews its accounts receivable balances, the effectiveness of Children's reserve policies and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following: Historical write-off and collection experience using a hindsight or look-back approach - Revenue and volume trends by payor, particularly the self-pay components - Changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients - Trending of days revenue in accounts receivable - Various allowance coverage statistics." "Changes Within the Allowance for Uncollectible Accounts - Children's allowance for uncollectible accounts for insured and uninsured accounts receivable increased to 9% of accounts receivable at December 31, 2013, and was 7% of accounts receivable at December 31, 2012. In addition, Children's self-pay write-offs increased to \$13.016 million for fiscal year 2013 from \$9.287 million for fiscal year 2012. Overall net accounts receivable remained fairly consistent with the prior year. However, the self-pay portion of insured and uninsured patients increased as a percentage of total accounts receivable, which increased the allowance for uncollectible accounts. Children's has not changed its charity care or uninsured discount policies during fiscal year 2013 or 2012." CHMCA respectively submits that since we accept all patients, regardless of their ability to pay, that bad debts at cost, as reported herein, represent an unreimbursed cost of providing care to the patients we serve.

Form and Line Reference	Explanation
Part III, Line 8 - Medicare Explanation	We believe that reporting program charges, costs, and payments directly from CHMCA's Medicare cost report along with similar calculations for rendered to patients enrolled in Medicare Advantage Plans and patients enrolled in TRICARE is the most accurate methodology to calculate unreimbursed Medicare and other means-tested government program costs. To avoid double counting of costs reported elsewhere in the Schedule, gross costs for other reportable items have been reduced by the total government payor mix percentage (51.8%) as reported on our internal payor mix report. CHMCA respectfully submits that its unreimbursed inpatient costs incurred in excess of the 1982 TEFRA per discharge limit (-\$72,866), unreimbursed outpatient costs incurred in treating patients qualifying for Medicare End Stage Renal disease, (ESRD) composite reimbursement (\$232,218), unreimbursed costs of providing care to Medicare Advantage Plan enrollees (-\$199,843) and unreimbursed costs for Tri Care patients (\$872,888) should be treated as community benefit with excess reimbursement treated as negative community benefit. The unreimbursed inpatient costs are costs incurred primarily in the treatment of burn victims who are Medicare enrollees. The unreimbursed ESRD costs are costs incurred in excess of the composite rate reimbursement applicable to patients who receive outpatient maintenance dialysis.
Part III, Line 9b - Collection Practices Explanation	CHMCA's collection policy describes the events and the timing of the events that lead to self-pay accounts or self-pay balances after insurance payments being turned over to collection. All patients are treated the same under our collection policy. A patient can be identified at any point in time during the revenue cycle process. Once a patient is identified as qualifying for financial assistance, normal collection policies cease and our free care/charity policies are applied.

Form and Line Reference	Explanation
Part VI, Line 1 - Required Descriptions	<p>LINE 1 - REQUIRED DESCRIPTIONS - Describe how CHMCA's Community Building Activities promote the health of the community it serves. Staying true to our mission, everything done by CHMCA is intended to benefit the communities we serve. Our primary benefit to each community is providing access to world-class health care to the children in the regions we serve. Our community building efforts are directed specifically at multiple levels, including Leadership development, under which we support various community-based programs that specifically develop community leaders, including such programs as Leadership Akron (for community leadership) and the Child & Family Leadership Exchange (for clinical and social service leadership). We support and are actively involved in initiatives such as Torchbearers, which is focused on developing and retaining strong community leadership. Coalitions and partnerships, in which CHMCA is strongly represented in committees and task forces assigned to address specific health indicators and conditions, as well as, certain divergent populations throughout our region, state, as well as, nationally and internationally. As a teaching hospital, we partner with dozens of higher education institutions in providing training and hands-on instruction and shadowing opportunities for students who embark on health care careers. General community support, under which we provide financial and staff support for various community based initiatives, generally related to the healthy development of young people and their families in the service area. Community health improvement, under which we support a number of multi-agency and governmental initiatives to encourage fitness activities, health screenings, and related activities, Workforce development through initiatives such as Akron Healthcare in Progress (HIP), a collaborative effort of primary secondary, and higher education, and Akron area hospitals, aimed at exposing and preparing a diverse group of students, representative of the community, for careers in the full range of health care, from skilled trades to medicine and nursing, demonstrate our effort and commitment in developing and retaining continuing leadership.</p>
Part VI, Line 2 - Needs Assessment	<p>In addition to the CHNAs, CHMCA performs strategic planning as an ongoing process with annual updates. As part of the annual update, we review population and demographic changes in our larger service area, focusing particularly on children and families. We give attention to the provision of health care services throughout our region, looking at our own and those provided by other health care organizations, using statewide data including all pediatric hospital discharges by zip code of patient residence. We also carefully track the demand for and supply of physicians, nurses and allied health providers. We evaluated the need for primary, secondary and tertiary services throughout our service area. In addition, we engage in multiple efforts to gauge the needs of our community through periodic surveys of the population, focusing on parental awareness and preference of pediatric health care services, and again estimating actual use of services from all providers. We are actively represented in dozens of community groups, and gather input from these groups both by active participation and by collecting and reviewing comprehensive data sets and studies produced by such groups, including school districts, health and human service agencies, and charitable and advocacy groups. We make an effort to listen to our staff, seeking and receiving feedback from our over 5000 staff and thousands of volunteers and physicians, who collectively provide a rich source of information regarding community needs and opportunities. Finally, we actively solicit input from our patients and their parents from Parent Advisory Groups as well as gathering feedback through patient survey results and via multiple written and electronic (web-based) tools.</p>

Form and Line Reference	Explanation
Part VI, Line 3 - Patient Education of Eligibility for Assistance	CHMCA provides education to patients to inform them that they may qualify for care at no charge or at a reduced charge in a variety of ways - CHMCA has signage at all of its registration sites to inform patients that they may qualify for free hospital care Applications for free care are available at all registration sites and throughout the hospital (Required by the Ohio Medicaid hospital Care Assurance (HCAP) rules) - CHMCA has information regarding eligibility for free care on all billing statements mailed to patients and their guarantors - CHMCA employs financial counselors to explain CHMCA's free care, charity care, and the various public assistance programs to uninsured and underinsured patients - CHMCA's website provides patients with information relating to the CHMCA's free care, charity care and various public assistance programs available - CHMCA contracts with an independent vendor to screen patients for public assistance eligibility and completion as well as submission of public assistance applications This same firm contacts patients whose balances have been turned over to collection to screen those patients for free care and charity care eligibility and assist these guarantors with the application process
Part VI, Line 4 - Community Information	Children's Hospital Medical Center of Akron (CHMCA) serves an area comprising much of the northeastern quadrant of the state of Ohio to include twenty-five counties, and two counties in Pennsylvania, resulting in a total service area of twenty-seven (27) counties In Ohio, Summit, Medina, Portage, Stark, Wayne, Tuscarawas, Holmes, Trumbull, Mahoning, Columbiana, Jefferson, Carroll, Harrison, Guernsey, Coshocton, Knox, Ashland, Richland, Crawford, Huron, Lorain, Cuyahoga, Geauga, Lake, and Ashtabula are served by Akron Children's In Pennsylvania, Lawrence and Mercer Counties are served by CHMCA Medina County There are approximately 173,684 people living in Medina County, which is an increase of 0 8 % increase since 2010 24 7% of this population is under 18 years old 3 7% of the population in Medina County is non-white with 1 7% classified as Hispanic or Latino 93 1% of Medina County residents have a high school diploma or higher, and 30 1% have a bachelor's degree or higher Annual per capita income in Medina County is \$30,528, which is higher than the State of Ohio (\$25,618), and the percent of Medina County residents living in poverty (7 2%) is lower than that of the State (14 8%) 22 8% of Medina County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Portage County There are approximately 161,451 people living in Portage County and this number has remained unchanged since 2010 20 2% of this population is under 18 years old 7 7% of the population in Portage County is non-white with 1 4% classified as Hispanic or Latino 90 4% of Portage County residents have a high school diploma or higher, and 24 5% have a bachelor's degree or higher Annual per capita income in Portage County is \$25,483, which is lower than the State of Ohio (\$25,618), and the percent of Portage County residents living in poverty (14 3%) is lower than that of the State (14 8%) 36 2% of Portage County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Stark County There are approximately 374,868 people living in Stark County, which is a 0 2% decrease from 2010 22 5% of this population is under 18 years old 10 9% of the population in Stark County is non-white with 1 7% classified as Hispanic or Latino 88 5% of Stark County residents have a high school diploma or higher, and 20 7% have a bachelor's degree or higher Annual per capita income in Stark County is \$24,212, which is lower than the State of Ohio (\$25,618), and the percent of Stark County residents living in poverty (13 6%) is lower than that of the State (14 8%) 43 7% of Stark County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Summit County There are approximately 540,811 people living in Summit County, although since 2010, the population size has decreased by approximately 0 2% 22 5% of this population is under 18 years old 19 2% of the population in Summit County is non-white with 1 7% classified as Hispanic or Latino 90% of Summit County residents have a high school diploma or higher, and 29 4% have a bachelor's degree or higher Annual per capita income in Summit County is \$27,220, which is higher than the State of Ohio (\$25,618), and the percent of Summit County residents living in poverty (14 5%) is lower than that of the State (14 8%) 39 5% of Summit County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Wayne County There are approximately 114,848 people living in Wayne County, which is an increase of 0 3% since 2010 25 1% of this population is under 18 years old 3 9% of the population in Wayne County is non-white with 1 6% classified as Hispanic or Latino 84 8% of Wayne County residents have a high school diploma or higher, and 19 2% have a bachelor's degree or higher Annual per capita income in Wayne County is \$22,892, which is lower than the State of Ohio (\$25,618), and the percent of Wayne County residents living in poverty (10 6%) is lower than that of the State (14 8%) 34% of Wayne County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% CHMCA Mahoning Valley has and continues to serve patients and families from many communities across the region Most people who receive services from the hospital are residents of Mahoning, Trumbull or Columbiana Counties Prior to the opening of this facility, the Appalachian Regional Development Act of 2008 (S 496) was signed into law One of the components of this legislation was addition of Mahoning and Trumbull Counties to the Appalachian Region Mahoning, Trumbull and Columbiana Counties represent most of the primary service area of the Beeghly Campus, and now, with this act becoming law, all three counties that make up the primary service area of this facility are located within the Appalachian Region Trumbull, Mahoning, and Columbiana Counties are classified by the Appalachian Regional Commission as being transitional - they have worse economic rates than the national average for one or more of three economic indicators (three-year average unemployment, per capita market income, and poverty) but don't rate low enough to be classified as distressed Trumbull County There are approximately 207,406 people living in Trumbull County, which is a decrease of 1 4% since 2010 21 5% of this population is under 18 years old Nearly 8% of the population in Trumbull County is Black or African American and 1 5% is Hispanic or Latino 87 1% of Trumbull County residents have a high school diploma or higher, and 16 6% have a bachelor's degree or higher Annual per capita income in Trumbull County is \$22,127, which is lower than the State of Ohio (\$25,618), and the percent of Trumbull County residents living in poverty (16 4%) is higher than that of the State (14 8%) 39 3% of Trumbull County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Mahoning County There are approximately 235,145 people living in Mahoning County, which is a decrease of 1 5% since 2010 20 9% of this population is under 18 years old 16% of the population in Mahoning County is Black or African American and 5% is Hispanic or Latino 87 9% of Mahoning County residents have a high school diploma or higher, and 20 9% have a bachelor's degree or higher Annual per capita income in Mahoning County is \$23,261, which is lower than the State of Ohio (\$25,618), and the percent of Mahoning County residents living in poverty (17 1%) is higher than that of the State (14 8%) 44 3% of Mahoning County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6% Columbiana County There are approximately 106,507 people living in Columbiana County, which is a decrease of 1 2% since 2010 21 2% of this population is under 18 years old 2 4% of the population in Columbiana County is Black or African American and 1 4% is Hispanic or Latino 85 7% of Columbiana County residents have a high school diploma or higher, and 13% have a bachelor's degree or higher Annual per capita income in Columbiana County is \$20,691, which is lower than the State of Ohio (\$25,618), and the percent of Columbiana County residents living in poverty (15 9%) is higher than that of the State (14 8%) 42 5% of Columbiana County's child population is enrolled in Medicaid, which is lower than the Ohio rate of 44 6%

Form and Line Reference	Explanation
Part VI, Line 5 - Promotion of Community Health	<p>CHMCA intends that all of its activities either directly provide health care to all children who request our services or promote the health of the community, both by direct investments in the delivery of pediatric healthcare services and in providing specialized inpatient and outpatient care for patients of all ages throughout northeast Ohio. Our efforts include Akron Children's Paul and Carol David Foundation Burn Institute provides specialized inpatient and outpatient care for burn victims of all ages throughout northeast Ohio. CHMCA is one of only two pediatric hospitals in the country that treats adult burn patients. The Rebecca D. Considine Research Institute is the hub for research and innovation activity at CHMCA. The institute facilitates sponsored clinical studies as well as internal investigator-initiated research programs across a spectrum of research subjects. The institute also offers research-oriented educational opportunities for fellows, students and faculty from around the globe, Adult Congenital Heart Service provides ongoing monitoring and specialized care for adults with congenital heart disease. As children with congenital heart disease (CHD) become adults, they can access lifetime care through our center, The Cystic Fibrosis Center provides diagnosis and treatment to children and adults with CF, including respiratory therapy, physical therapy, genetic counseling and nutrition counseling. The center also actively participates in clinical trials to research new drug therapies to manage cystic fibrosis, The Genetic Center offers diagnostic evaluation and medical management of genetic conditions, birth defects and developmental delays, as well as genetic testing and genetic counseling for pediatric and adult patients. Our Maternal Fetal Treatment Center provides Genetic Counseling and Obstetric/delivery services to high risk pregnant women in the region, The area's only pediatric hospital, CHMCA Mahoning Valley opened in December 2008. This 32-bed pediatric hospital offers a full range of pediatric services to the children of the Mahoning Valley and surrounding areas. The hospital provides access to a 24/7 emergency department, laboratory, radiology, outpatient surgical center, endocrinology, rehabilitation and EEG/ECHO/EKG services, as well as a hematology/oncology clinic and infusion center and child advocacy center. CHMCA also owns and operates a 19-bed Level II Special Care Nursery at CHMCA's Beeghly campus and a 25-bed Level IIIB Neonatal Intensive Care Unit at St. Elizabeth Health Center. CHMCA's neonatal team is committed to providing the most effective and efficient care for our tiniest patients, as well as providing parents with the emotional and educational support they need. Additionally, CHMCA brings pediatric primary care for babies, children and teens to many northeast Ohio neighborhoods through our 23 pediatrician offices to include offices in Boardman and Warren. Each office is staffed with experienced, board-certified pediatricians and experienced staff. Also located in the Mahoning Valley is the Community Outreach, Education & Support Center, which provides education and support for children and their families. These programs meet specified criteria of nationally accredited disease management programs, as well as CHMCA's criteria and monitoring requirements. Our community health outreach includes asthma and diabetes education and support, school programs, disease-specific camps and support groups, fitness programs, community events and educational programs that touched more than 45,000 individuals annually. We also make major investments of our funds and other resources in the provision of education for lay and professional persons, and in research that will improve health care for all children. We take an active role in advocating for improved health and improved access to health care for all. Services and activities provided by CHMCA benefit and/or promote health to the residents in the communities we serve. The primary benefit to our communities is providing health care for more than 600,000 children annually. In addition, we also provide community building activities as depicted in Part II of this schedule. CHMCA's Neonatology department offers intensive care to sick and premature newborns. On any given day, there are 45 to 50 babies receiving care in CHMCA's neonatal intensive care unit (NICU). About 1/4 of these infants have been in utero for fewer than 32 weeks, 5 weeks less than what is considered necessary for full gestation. Some of them are as young as 24 weeks and weigh in at less than a kilogram. CHMCA's neonatal team is committed to providing the most effective and efficient care for our tiny patients, as well as providing parents with the emotional and practical support they need. To this end, Akron Children's is part of the Vermont Oxford Network, a collaboration of health professionals from 850 NICUs around the world who focus on research, education and projects that improve the quality and safety of medical care for newborns and their families. CHMCA's neonatal expertise expands beyond the Level III NICU at our Akron campus. We also own and operate newborn special care nurseries at Akron General Medical Center and Summa's Akron City Hospital in Akron, CHMCA's Beeghly campus in Boardman, and St. Elizabeth Boardman Health Center. A specially equipped ambulance and pediatric transport team handles the transfer of the newborns requiring the Level III neonatal intensive care provided at CHMCA in downtown Akron. CHMCA's School Health Services supports the academic success of children through health promotion, education and child advocacy. School Health serves as a liaison among school staff, family, community and healthcare providers. CHMCA's pediatric registered nurses work closely with school staffs to ensure a comprehensive school health program is in place. With immediate access to pediatric healthcare professionals at CHMCA, schools are assured their program will effectively address the needs of their staff and students. Our School Health Services lets schools focus on educating students, while we manage their district's medical needs. CHMCA is fully insured and our employees have received thorough screening and background checks, reducing the district's liability.</p>
Part VI, Line 6 - Affiliated Health Care System	N/A

Form and Line Reference	Explanation
Part VI, Line 7 - State Filing of community benefit report	O hio
Part VI Additional Information	Additional Information In addition to the locations listed in Part V, Section A and C, Akron Children's Hospital has physicians providing a variety of subspecialty services at many other locations throughout Northeast Ohio and Western Pennsylvania Note Census and other data reported in Section Part VI is the most recent information available

Additional Data

Software ID:

Software Version:

EIN: 34-0714357

Name: Children's Hospital Medical Center of Akron

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

Section D. 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)
1CHMCA Partial Hospitalization Program 388 South Main Street Akron, OH 44311	Behavioral Health Day Programs
2CHMCA Montrose ED 4125 Medina Road Akron, OH 44333	Behavioral Health Day Programs
3CHMCA ACHP - New Philadelphia 1045 W High Street New Philadelphia, OH 44312	Behavioral Health Day Programs
4CHMCA ACHP - Green 1600 E Turkeyfoot Lake Road Akron, OH 44312	Behavioral Health Day Programs
5CHMCA ACHP - Fairlawn 701 White Pond Drive Suite 100 Akron, OH 44320	Behavioral Health Day Programs
6CHMCA ACHP - Hudson 1365 Corp Drive Suite A Hudson, OH 44236	Behavioral Health Day Programs
7CHMCA Hudson ED 5655 Hudson Drive Hudson, OH 44236	Behavioral Health Day Programs
8CHMCA ACHP - Warren 8720 E Market Street Suite 1C Warren, OH 44484	Behavioral Health Day Programs
9CHMCA ACHP - East Akron 891 East Exchange Street Akron, OH 44311	Behavioral Health Day Programs
10CHMCA ACHP - Wooster 128 E Miltown Road 209 Wooster, OH 44691	Behavioral Health Day Programs
11CHMCA ACHP - Medina 3443 Medina Road Suite 115 Medina, OH 44256	Behavioral Health Day Programs
12CHMCA ACHP - Boardman 6505 Market Street Bldg C Suite 212 Boardman, OH 44512	Behavioral Health Day Programs
13CHMCA ACHP - Barberton 62 Conservatory Dr Bldg D Suite A Barberton, OH 44203	Behavioral Health Day Programs
14CHMCA ACHP - Ellet 1463 Canton road Suite A Akron, OH 44312	Behavioral Health Day Programs
15CHMCA ACHP - Twinsburg 8054 Darrow Road Suite 3 Twinsburg, OH 44087	Behavioral Health Day Programs
16CHMCA ACHP - Kent 1951 State Rt 59 Kent, OH 44240	Behavioral Health Day Programs
17CHMCA ACHP - Ashland 2212 Mifflin Avenue Suite 235 Ashland, OH 44805	Behavioral Health Day Programs
18CHMCA ACHP - Wadsworth 323 High Street Suite A Wadsworth, OH 44281	Behavioral Health Day Programs
19CHMCA ACHP - North Canton 6046 Whipple Ave NW Bldg B North Canton, OH 44720	Behavioral Health Day Programs
20CHMCA ACHP - Tallmadge 143 Northeast Ave Bldg D 102 Tallmadge, OH 44278	Behavioral Health Day Programs
21CHMCA ACHP - Streetsboro 9318 State Rd 14 Streetsboro, OH 44241	Behavioral Health Day Programs
22CHMCA Millersburg Hemophilia Clinic 1261 Wooster Road Millersburg, OH 44654	Behavioral Health Day Programs
23CHMCA ACHP - Ravenna 6847 Chestnut Street Suite 200 Ravenna, OH 44266	Behavioral Health Day Programs
24CHMCA Care Center Stark County 213 Market Avenue N Suite 200 Canton, OH 44702	Behavioral Health Day Programs
25CHMCA ACHP - Brecksville 7001 s Edgerton Road Suite 500 Brecksville, OH 44141	Behavioral Health Day Programs
26CHMCA ACHP - Alliance 1826 Sout Arch Avenue Alliance, OH 44601	Behavioral Health Day Programs
27CHMCA ACHP - Solon 34125 Solon Road Solon, OH 44139	Behavioral Health Day Programs
28CHMCA Beachwood Specialties 23250 Chagrin Blvd Building 5 Beachwood, OH 44122	Behavioral Health Day Programs
29CHMCA Boardman Medical Pavilion 8423 Market Street Bldg C Suite 30 Boardman, OH 44512	Behavioral Health Day Programs
30CHMCA ACHP - Perry 125 Whipple Ave S W Canton, OH 44708	Behavioral Health Day Programs
31CHMCA Orthopedic Specialty Canton 4455 Dressler Road Canton, OH 44718	Behavioral Health Day Programs
32CHMCA Aultman Hospital Specialties 2600 6th Street SW Canton, OH 44710	Behavioral Health Day Programs
33CHMCA Lake Health TriPoint Med Ctr 7590 Auburn Road Suite 214 Painesville, OH 44077	Behavioral Health Day Programs
34CHMCA Medina Specialties 3591 Reserve Commons Drive Medina, OH 44256	Behavioral Health Day Programs
35CHMCA - AGMC Wellness - Rehab 4125 Medina Road Akron, OH 44333	Behavioral Health Day Programs
36CHMCA Center for Allergy & Immunology 130 West Exchange Street Akron, OH 44308	Behavioral Health Day Programs
37CHMCA Medina Subspecialties 3780 Medina Road Suite 240 Medina, OH 44256	Behavioral Health Day Programs

Schedule I
(Form 990)

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

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

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.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) UNIVERSITY OF AKRON FOUNDATION 47 NORTH MAIN STREET AKRON, OH 44308	34-6575496	3	400,000				GENL SUPPORT
(2) AKRON CHILDREN'S HOSPITAL FOUNDATION ONE PERKINS SQUARE AKRON, OH 44308	23-7114013	3	681,260				GENL SUPPORT
(3) AKRON URBAN LEAGUE 250 EAST MARKET STREET AKRON, OH 44308	34-0714520	3	25,000				GENL SUPPORT
(4) AKRON PUBLIC SCHOOLS 70 N BROADWAY AKRON, OH 44308	34-6000083	GOVT ORG	20,000				GENL SUPPORT
(5) LIFEBOANC 1909 EAST 101ST STREET SUITE 12 CLEVELAND, OH 44106	34-1525159	3	7,500				GENL SUPPORT
(6) RONALD MCDONALD HOUSE 245 LOCUST STREET AKRON, OH 44308	34-1860682	3	250,000				BUILDING CAMPAIGN

2

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

6

3

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

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. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
Part I, Line 2	CHMCA DONATES MONEY OCCASIONALLY TO PROGRAMS THROUGHOUT SUMMIT COUNTY THAT ARE ALSO 501(C)(3) ORGANIZATIONS THE AMOUNTS DONATED TO THESE ORGANIZATIONS ARE MOSTLY IN SUPPORT OF MEDICAL AND NURSING EXCELLENCE IN THE COMMUNITY, ALONG WITH MEDICAL RESEARCH

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

Part I

Questions Regarding Compensation

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

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

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.

Return Reference	Explanation
Part I, Line 1a - Fringe or Expense Explanation	William Considine, CEO and Shawn Lyden, Executive VP, had a 2013 country club membership that was used by CHMCA for business meetings. William Considine also received gross-up payments for his automobile and life insurance payments made by CHMCA.
Part 1, line 1b - Written Reimbursement Policy Explanation	The executive reimbursements to William Considine and Shawn Lyden, which include the gross-up of the same benefits each year, have been approved by the board of directors.
Part 1, Line 4 - Severance, Nonqualified, and Equity Based Payments	William Considine is a participant in the Supplemental Executive Retirement Plan as of January 1, 2010. The Plan is a nonqualified deferred compensation plan. It is an unfunded plan maintained primarily for the purpose of providing deferred compensation benefits. The participant receives credits in the plan for each full calendar year of service and he is 100% vested. The non-qualified deferred payment to William Considine in 2013 was \$233,398.
Part 1, Line 7 - Non Fixed Payments Provided	CHMCA does have contracts with certain physicians that earn bonuses based on Work Relative Value Units (WRVU's). Physicians work RVU - the relative level of time, skill, training and intensity to provide a given service. Each CPT code is targeted for review at least every five years to determine the work RVU for a particular service. A code with a higher RVU work takes more time, more intensity or some combination of the two.
Part II, Line 1(c)	During 2013, the significant increase in the pension plan's discount rate resulted in a decrease in the present value of the participant's deferred benefits.

Additional Data

Software ID:

Software Version:

EIN: 34-0714357

Name: Children's Hospital Medical Center of Akron

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				
WILLIAM CONSIDINE PRESIDENT & CEO	(i)	1,246,412	203,050	336,431	-17,658	14,897	1,783,132	0
	(ii)	0	0	0	0	0	0	0
SHAWN LYDEN EXECUTIVE VP	(i)	536,320	83,997	6,658	15,100	20,208	662,283	0
	(ii)	0	0	0	0	0	0	0
MICHAEL TRAINER CHIEF FINANCIAL OFFICER	(i)	413,286	121,498	2,693	17,400	15,591	570,468	0
	(ii)	0	0	0	0	0	0	0
GRACE WAKULCHIK CHIEF OPERATING OFFICER	(i)	438,796	66,598	5,810	-23,058	11,830	499,976	0
	(ii)	0	0	0	0	0	0	0
JOHN CROW MD CHAIRMAN,PEDIATRIC SURGERY	(i)	750,448	0	60,340	0	14,887	825,675	0
	(ii)	0	0	0	0	0	0	0
NORMAN CHRISTOPHER MD CHAIRMAN, DEPT OF PEDS	(i)	377,234	55,480	2,984	-21,951	20,317	434,064	0
	(ii)	0	0	0	0	0	0	0
ROBERT MCGREGOR MD CHIEF MEDICAL OFFICER	(i)	350,239	0	17,450	0	20,038	387,727	0
	(ii)	0	0	0	0	0	0	0
JEFFREY HORD MD DIRECTOR, HEMATOLOGY	(i)	319,605	10,975	2,691	-13,269	19,786	339,788	0
	(ii)	0	0	0	0	0	0	0
MARY LINK DIRECTOR, GENERAL COUNSEL	(i)	281,583	39,842	1,397	5,100	11,582	339,504	0
	(ii)	0	0	0	0	0	0	0
MARY TOTH MD DIRECTOR, RHEUMATOLOGY	(i)	269,359	25,000	731	6,370	19,592	321,052	0
	(ii)	0	0	0	0	0	0	0
THOMAS OGG CHIEF INFORMATION OFFICER	(i)	304,222	49,499	693	5,100	14,128	373,642	0
	(ii)	0	0	0	0	0	0	0
AMY MANEKER CHIEF MEDICAL INFOR OFFICER	(i)	328,224	0	1,449	5,100	1,869	336,642	0
	(ii)	0	0	0	0	0	0	0
LISA AURILIO VP, PATIENT SERVICES	(i)	268,322	37,349	846	17,792	7,291	331,600	0
	(ii)	0	0	0	0	0	0	0
LINDA GENTILE VP, SUPPORT SERVICES	(i)	225,415	35,100	1,354	37,457	13,783	313,109	0
	(ii)	0	0	0	0	0	0	0
WALTER SCHWOEBLE VP, HUMAN RESOURCES	(i)	291,961	45,898	2,616	17,600	14,174	372,249	0
	(ii)	0	0	0	0	0	0	0
CYNTHIA DORMO VP, DEPT OF PEDS	(i)	240,144	35,699	960	59,040	7,370	343,213	0
	(ii)	0	0	0	0	0	0	0
SHARON HRINA VP, MAHONING VALLEY ENTERPRISE	(i)	233,782	31,999	3,184	60,804	7,141	336,910	0
	(ii)	0	0	0	0	0	0	0
CRAIG MCGHEE VP, SURGICAL SUBSPECIALTY	(i)	179,218	0	660	3,639	11,164	194,681	0
	(ii)	0	0	0	0	0	0	0
ROGER HUDGINS MD DIRECTOR OF NEUROSURGERY	(i)	1,287,000	170,946	11,484	5,100	12,450	1,486,980	0
	(ii)	0	0	0	0	0	0	0
ANTON MILO MD DIRECTOR OF ENT	(i)	1,342,969	0	4,002	5,100	19,360	1,371,431	0
	(ii)	0	0	0	0	0	0	0

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				
MARK MCCOLLUM MD GENERAL PEDIATRIC SURGEON	(i) (ii)	1,071,016 0	41,875 0	1,170 0	5,100 0	20,146 0	1,139,307 0	0 0
PHILIP SMITH MD DIRECTOR OF HEART CENTER	(i) (ii)	1,028,746 0	30,000 0	3,612 0	-2,142 0	20,601 0	1,080,817 0	0 0
ROBERT PARRY MD GENERAL PEDIATRIC SURGEON	(i) (ii)	829,418 0	56,000 0	3,354 0	5,100 0	20,370 0	914,242 0	0 0

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

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	AKRON BATH AND COPLEY JOINT TWSP HOSP DISTRICT	34-1448680	009730MY5	05-15-2012	102,559,004	REFUND PRIOR ISSUE TO CONSTRUCT PA		X		X		X
B	AKRON BATH AND COPLEY JOINT TWSP HOSP DISTRICT	34-1448680	009730NB4	05-15-2013	101,377,818	CONSTRUCTION OF CRITICAL CARE TOWE		X		X		X
C	AKRON BATH AND COPLEY JOINT TWSP HOSP DISTRICT	34-1448680		11-14-2013	27,405,000	REFUND PRIOR ISSUE		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0			
2	Amount of bonds legally defeased	0		0		0			
3	Total proceeds of issue	102,559,004		101,377,818		27,405,000			
4	Gross proceeds in reserve funds	0		0		0			
5	Capitalized interest from proceeds	1,010,250		10,229,217		280,035			
6	Proceeds in refunding escrows	0		0		0			
7	Issuance costs from proceeds	1,116,463		1,148,601		0			
8	Credit enhancement from proceeds	0		0		0			
9	Working capital expenditures from proceeds	0		0		0			
10	Capital expenditures from proceeds	18,379,884		25,465,483		0			
11	Other spent proceeds	80,432,291		0		27,124,965			
12	Other unspent proceeds	1,620,116		64,534,517		0			
13	Year of substantial completion	2013		2015		2013			
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
		X			X	X			
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X			X	X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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			
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				X			
c	Are there any research agreements that may result in private business use of bond-financed property?		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 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		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		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		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		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X			
b	Exception to rebate?		X		X		X		
c	No rebate due?		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		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

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		
b	Name of provider	0		0		0			
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V

Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X			
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?								

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
PART 1(f)A	OF THE \$102,559,004 BOND PROCEEDS, \$80,432,921 WAS USED TO REFUND THE SERIES 2001 BONDS AND \$21,000,000 WAS USED FOR CONSTRUCTION OF A NEW APPROXIMATELY 1200 SPACE PARKING GARAGE
PART 1(f)B	\$101,377,818 OF BOND PROCEEDS ARE BEING USED TO CONSTRUCT AN APPROXIMATELY 360,000 SQUARE FOOT CRITICAL CARE TOWER ON THE AKRON CAMPUS
PART 1(f)C	\$27,405,000 OF BOND PROCEEDS REFUNDED THE SERIES 2003 BONDS THE BONDS WERE SOLD IN A PRIVATE OFFERING TO KEY GOVERNMENT FINANCE, INC

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.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

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
Total ▶ \$											

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) FIRST ENERGY SOLUTIONS	FE OFFICER AND CURR DIREC	2,382,062	ELECTRIC BILLS PD TO FIRSTENER		No
(2) FIRST MERIT	VP-FM AND CURR DIRECTOR	131,380	FEES PAID TO FIRST MERIT		No
(3) CATHRYN O'MALLEY	FAMILY MEMBER OF CURR DIR	73,301	COMPENSATION		No
(4) LAURIE SCHUELER	FAMILY MEMBER OF CURR DIR	27,079	COMPENSATION		No
(5) INTERACTIVE MEDIA GROUP	FAMILY MEMBER OF CURR DIR	212,518	COMPUTER PROGRAMMING FEES		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
SCHEDULE L, PART V	GREG MCDERMOTT, BOARD MEMBER, IS A VICE-PRESIDENT WITHIN FIRST MERIT BANK, OF WHICH CHMCA CONDUCTS THEIR CHECKING AND INVESTMENTS BANKING DONALD SCHNEIDER, BOARD MEMBER, IS A FIRST ENERGY OFFICER CHMCA PURCHASES THEIR ELECTRIC POWER THROUGH OHIO EDISON, A COMPANY OF FIRST ENERGY CATHRYN O'MALLEY IS THE DAUGHTER OF WILLIAM CONSIDINE, PRESIDENT AND CEO LAURIE SCHUELER IS THE DAUGHTER OF DUANE ISHAM, BOARD MEMBER ANDREW HOPKINS, SON OF BOARD MEMBER WILLIAM HOPKINS, IS A PARTNER OF INTERACTIVE MEDIA GROUP THAT CONTRACTS WITH CHILDREN'S HOSPITAL MEDICAL CENTER OF AKRON IN DOING VARIOUS COMPUTER PROGRAMMING

SCHEDULE O
(Form 990 or 990-EZ)**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.

**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**

2013**Open to Public
Inspection**

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number

34-0714357

Return Reference	Explanation
Form 990, Part III, Line 4d - All Other Accomplishments	<p>Children's Hospital Medical Center of Akron ("CHMCA") operates one of the largest pediatric primary care networks in nine different counties including Cuyahoga, Medina, Wayne, Tuscarawas and Portage. The pediatricians and staff at Akron Children's Hospital Pediatrics ("ACHP") maintain cooperative relationships with many area health providers, including several hospitals. Patient care is available 24 hours a day through the physician office, Children's After Hours, a 24-hour nurse triage phone line, and CHMCA. By sharing information between our offices and with area health care providers, we ensure that all children receive the finest care - from preventative checkups to treatment for chronic health problems. ACHP visits were 318,753 and 301,645 for 2013 and 2012 respectively. The Surgical Services Department at CHMCA performs approximately 15,000 general and specialized surgical procedures each year--ranging from uncomplicated tonsillectomies to neurosurgery, open heart, orthopedic, and plastic and reconstructive surgery. The entire staff at CHMCA, from pediatric surgeons to pediatric anesthesiologists and nurses are carefully trained in meeting the unique surgical needs and concerns of children and their families. The pediatric anesthesiologists are experienced at helping a child go to sleep with as little anesthesia as possible. They understand the medical differences between children and adults. Special equipment and techniques suited to the size of the patient, from infants to young adults, help assure successful outcomes to the surgery and anesthesia. In addition, child life specialists give pre-surgery tours once a week to prepare children (and parents) for what they expect to see, hear, feel, taste or smell. CHMCA has nine state-of-the-art operating rooms. Two are dedicated to minimally invasive surgery with a voice activated system to control the OR's. There are also operating suites dedicated to neurosurgery and heart surgery. Between 75-80% of surgeries are done on an outpatient basis, which has proven to be not only medically safe but psychologically beneficial for children. 2013 2012 Surgical patients - inpatient 3,393 3,316 Surgical patients - outpatient 10,148 12,025</p>

Return Reference	Explanation
Form 990, Part VI, Line 2 - Related Party Information Among Officers	Robert Berk Director Family Relationship Susan Berk Director Family Relationship

Return Reference	Explanation
Form 990, Part VI, Line 6 - Classes of Members or Stockholders	The duly elected, qualified and acting Directors and the active members of the Women's Board of Akron Children's Hospital are members of the Corporation

Return Reference	Explanation
Form 990, Part VI, Line 7a - Election of Members and Their Rights	<p>The number of the Directors of this Corporation shall be set by the members. Five of the members shall consist of the Women's Board of Akron Children's Hospital. The President and the President of the Medical Staff shall each be a member of the Board of Directors. The remaining members of the Board of Directors shall be elected by the members of the Corporation. A director shall be elected for a three-year term, but a person may be nominated for and elected to a shorter term in order that the terms of approximately one-third of the directors shall expire each year. Each director shall serve until his successor is elected and qualified. Upon unanimous resolution of the members, a person who has rendered long and outstanding service to the Hospital may be elected to a life term as a director. The directors responsibilities include (1) to ensure the Hospital is meeting the community's health needs and is informed about the availability of the Hospital's services, (2) believe strongly in the Hospital's mission and serve as active public advocates for the Hospital, (3) establish goals and policies for the Hospital, (4) work with the Hospital President to develop and update long-range plans and provide for financial stability, (5) identify, recruit and select new Directors, (6) periodically evaluate the performance of Director Committees, individual Directors and Board of Directors performance as a whole, (7) select and evaluate the President as Chief Executive Officer, (8) approve Medical Staff appointments and privileges, (9) maintain authority for the overall functioning and support of a Hospital-wide quality assurance program, and (10) participate in and provide leadership for Hospital fund-raising programs. The Corporate powers, property, and affairs of the Corporation shall be exercised, conducted, and controlled by the Directors. The Directors shall elect the members of the Executive Committee of the Board.</p>

Return Reference	Explanation
Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members	Subject to the direction and control of the Directors, or the Executive Committee of the Board, the management of the Hospital shall be vested in the President as Chief Executive Officer. The President shall, in all matters pertaining to Hospital administration, directly represent the Executive Committee of the Board of Directors and shall be responsible to them respectively for the proper performance of his duties. It shall be the duty of the President to make known and enforce all rules and regulations which shall be made by and under the authority of the Directors or the Executive Committee of the Board. In all cases of disputed authority, or uncertainty as to the meaning of these regulations, the decision of the President shall be absolute until a ruling shall have been rendered by the Executive Committee of the Board of Directors.

Return Reference	Explanation
Form 990, Part VI, Line 11b - Organization's Process to Review Form 990	The Form 990 is provided to the Audit Committee and Chairman of the Board of Directors of CHMCA for review and discussion prior to filing the return with the Internal Revenue Service. The Audit Committee is a Committee of the Board of Directors and empowered to complete the review on behalf of the Board of Directors.

Return Reference	Explanation
Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy	<p>It is CHMCA's policy that all employees disclose real and apparent conflicts of interest as a condition of employment with CHMCA. CHMCA also requires that each employee disclose in writing, annually, to the President a list of all businesses or other organizations in which he/she is an officer, member, owner, shareholder, trustee or employee for which he/she acts as an agent or might reasonably in the future enter into a relationship or transaction in which the employee could have a duality of interest. If a situation arises in which there is a duality of interest, or a question of duality of interest, and, as such, potential for a conflict of interest, it is the primary responsibility of the individual directly involved and responsibility of other personnel, to the extent that they become aware of a duality of interest, to make immediate and complete disclosure to the appropriate Vice President. He/she will review the situation with the Vice President of Corporate Services who will present it to the President or his designee. It is the responsibility of the President or his designee to evaluate any circumstances in which a duality of interest exists, (if known, when disclosed or undisclosed), to determine whether such conflict is so substantial that it is deemed to be detrimental to CHMCA. Any employee who is directly or indirectly involved in a situation which represents a duality of interest, and as such, a potential conflict of interest, will abide by the following policies: (1) Individual will not be permitted access to any information which may provide an unfair advantage to that individual or the firm he/she represents. (2) Individual will be required to withdraw from any meeting in which the matter is discussed. (3) Individual will not be permitted to participate in deliberation or vote on the matter and will be required to leave the room during voting. (4) Any employee is expressly prohibited from releasing any "sensitive information" regarding a decision made or being considered to any person who may have a duality of interest, and as such, a potential conflict of interest. (5) Any attempt on the part of an employee to unfairly influence or impact the decision making process in favor of personal interest may be considered breach of trust and may be cause for removal from his/her position of responsibility or other disciplinary action up to and including discharge.</p>

Return Reference	Explanation
Form 990, Part VI, Line 15a - Compensation Process for Top Official	<p>CHMCA's executive total compensation program is governed by the Compensation Committee (Committee) of the Board of Directors. Key Committee responsibilities include: (a) ensure executive total compensation is appropriate in light of the Hospital's mission and values, and (b) approve an executive compensation philosophy, the associated programs, and all compensation actions for individual executives. The Committee is comprised of independent members of the Hospital Board who have no personal interest in any executive compensation transaction. Should a potential conflict of interest be identified, the Committee determines the extent of the conflict and the means to address it. In certain cases, a Committee member may be asked not to participate in discussions of, or vote on, a particular compensation transaction. The Committee governs the Hospital's executive total compensation for all senior executives who are deemed to be disqualified persons. The Committee also governs the total compensation of other disqualified persons, e.g., family members of Board members or executives who are employed by the Hospital. The Committee follows all steps required by the Internal Revenue Service to qualify for the safe harbor under the Intermediate Sanctions regulations. The Committee reviews market compensation data for comparable positions at similar organizations which are compiled by an independent consultant. The Committee uses the data to make executive decisions and documents its compensation deliberations and decisions in a timely manner. An independent salary survey was completed in 2013 and recommendations were provided and presented by the independent consultant to the Committee for approval.</p>

Return Reference	Explanation
Form 990, Part VI, Line 15b - Compensation Process for Officers	An independent salary survey was completed in 2013 and recommendations were provided and presented by the independent consultant to the Committee for approval

Return Reference	Explanation
Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation	CHMCA makes its governing documents, conflict of interest policy, and financial statements available to the public upon request. In addition, the governing documents are located on the Ohio Secretary of State's website. The financial statements are also disclosed on the EMMA (Electronic Municipal Market Access) website.

Return Reference	Explanation
Form 990, Part XI, Line 9 - Reconciliation of Other Changes in Net Assets	Contributed Capital Akron Children's Hospital Foundation \$ -355,144 Contributed Capital of Government Funding - 91,965 Partnership Loss 72,900 Reclass expenses netted against revenue -156,349 In-Kind Community Support 400,000 Hospital's Investment in Foundation 25,128,901 Contributed Capital 447,109 Adjustment - ASC - OPEB 1,592,663 Adjustment - ASC - Pension 66,374,788 Loss on Extinguishment of Debt -505,997 Hemophilia Treatment Center Deposit 945,412 _____ Total \$93,852,318

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Children's Hospital Medical Center of Akron

Employer identification number
34-0714357

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on 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) AKRON CHILDREN'S RESEARCH CENTER ONE PERKINS SQUARE AKRON, OH 44308 34-1934412	CLIN TRIALS	OH	0	0	na

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) AKRON CHILDREN'S HOSPITAL FOUNDATION ONE PERKINS SQUARE AKRON, OH 44308 23-7114013	FOUNDATION	OH	501(c)(3)	7	CHMCA	Yes	
(2) CHILDREN'S HOME CARE GROUP ONE PERKINS SQUARE AKRON, OH 44308 34-1575266	HOME CARE	OH	501(c)(3)	11a	CHMCA	Yes	
(3) CHILD DIMENSIONS INSURANCE COMPANY ONE PERKINS SQUARE AKRON, OH 44308 03-0317160	INSURANCE	OH	501(c)(3)	11a	CHMCA	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on 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	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l		No
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

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

Additional Data

Software ID:

Software Version:

EIN: 34-0714357

Name: Children's Hospital Medical Center of Akron

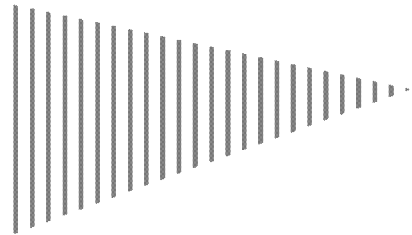
Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
CHILDREN'S HOME CARE GROUP	O	10,780,279	ACTUAL PER GL
CHILDREN'S HOME CARE GROUP	P	9,442,972	ACTUAL PER GL
CHILD DIMENSIONS INSURANCE GROUP	P	23,284	ACTUAL PER GL
AKRON CHILDREN'S HOSPITAL FOUNDATION	P	10,066,005	ACTUAL PER GL
AKRON CHILDREN'S HOSPITAL FOUNDATION	C	5,695,927	ACTUAL PER GL
AKRON CHILDREN'S HOSPITAL FOUNDATION	C	355,144	ACTUAL PER GL
AKRON CHILDREN'S HOSPITAL FOUNDATION	O	3,838,212	ACTUAL PER GL
AKRON CHILDREN'S HOSPITAL FOUNDATION	B	681,260	ACTUAL PER GL

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Children's Hospital Medical Center of Akron and Affiliates
Years Ended December 31, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

Children’s Hospital Medical Center of Akron and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended December 31, 2013 and 2012

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Report of Independent Auditors

The Board of Directors
Children's Hospital Medical Center of Akron

We have audited the accompanying consolidated financial statements of Children's Hospital Medical Center of Akron and Affiliates (Children's), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children's at December 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

April 17, 2014

Children's Hospital Medical Center of Akron and Affiliates

Consolidated Balance Sheets (In Thousands)

	December 31	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 37,955	\$ 25,616
Patient accounts receivable, less allowances for uncollectible accounts of \$12,356 in 2013 and \$9,373 in 2012	80,485	79,239
Other receivables	22,720	17,775
Current portion of assets limited to use – bond project funds	565	509
Inventories	6,465	5,815
Prepaid expenses and other current assets	5,500	5,380
Total current assets	153,690	134,334
Board-designated investments		
Depreciation fund	336,487	279,361
Unrestricted Foundation investments	56,882	47,498
Other investments	10,198	7,601
Total board-designated investments	403,567	334,460
Assets limited as to use		
Bond project funds	73,637	15,542
Self-insurance funds	75,962	59,071
Temporarily and permanently restricted investments	50,877	40,291
Total assets limited as to use	200,476	114,904
Beneficial interest in charitable remainder and perpetual trusts	9,121	8,453
Property, plant, and equipment		
Land and improvements	14,924	13,967
Buildings	335,799	314,064
Capitalized software	56,900	52,950
Equipment	201,635	195,025
	609,258	576,006
Less accumulated depreciation	383,524	355,751
	225,734	220,255
Construction-in-progress	55,893	22,100
Total property, plant, and equipment, net	281,627	242,355
Other assets		
Deferred financing cost, net	2,414	1,609
Pledges	3,669	1,154
Other assets	6,645	7,086
Total other assets	12,728	9,849
Total assets	\$ 1,061,209	\$ 844,355

	December 31	
	2013	2012
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 13,742	\$ 13,904
Accrued compensation and related liabilities	35,510	31,541
Accrued expenses	22,096	21,833
Estimated third-party payor liabilities	18,089	16,643
Current portion of long-term debt	4,020	3,555
Total current liabilities	93,457	87,476
Long-term debt	224,231	127,274
Other long-term liabilities		
Reserve for professional and general liabilities	43,253	47,120
Accrued pension cost	74,178	125,878
Accrued postretirement benefit obligations and deferred compensation plans	20,583	23,154
Other long-term liabilities	32,247	25,952
Total other long-term liabilities	170,261	222,104
Total liabilities	487,949	436,854
Net assets		
Unrestricted	507,372	357,409
Temporarily restricted	54,150	39,185
Permanently restricted	11,738	10,907
Total net assets	573,260	407,501

Total liabilities and net assets	\$ 1,061,209	\$ 844,355
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See accompanying notes

Children's Hospital Medical Center of Akron and Affiliates

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

	Year Ended December 31	
	2013	2012
Unrestricted revenue, gains, and other support		
Net patient service revenue	\$ 567,761	\$ 528,112
Provision for uncollectible accounts	(16,000)	(9,845)
Net patient service revenue less provision for uncollectible accounts	551,761	518,267
Hospital Care Assurance Program	11,484	10,482
Supplemental Medicaid Reimbursement	12,414	12,870
Children's Hospital Graduate Medical Education Program	2,770	2,836
Medicaid Electronic Health Record Incentive	3,662	3,298
Medicaid Physician Enhanced Reimbursement	8,013	—
Other revenue	20,233	21,431
Research, development, and contracted education	4,370	3,052
Contributions	5,529	4,598
Net assets released from restrictions for operations	3,047	2,814
Total unrestricted revenue, gains, and other support	623,283	579,648
Expenses		
Salaries and wages – nonphysicians	205,721	194,511
Salaries and wages – physicians	81,143	75,469
Salaries and wages – intern and resident education	8,340	7,072
Employee benefits	83,489	75,403
Supplies	63,871	59,925
Purchased services	44,421	44,087
Facility	29,727	28,089
Insurance	449	10,263
General expenses	10,985	9,672
Depreciation and amortization	37,202	35,874
Interest	4,579	4,706
HCAP assessment	2,813	2,512
Hospital franchise fee	9,037	8,466
Total expenses	581,777	556,049
Income from operations	41,506	23,599
Nonoperating gains (losses)		
Investment gains, net	39,899	29,627
Loss on early extinguishment of debt	(506)	(3,964)
Community support	22	(2,337)
Total nonoperating gains, net	39,415	23,326
Excess of revenue over expenses	80,921	46,925

Children's Hospital Medical Center of Akron and Affiliates

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at January 1, 2012	\$ 311,324	\$ 34,385	\$ 10,192	\$ 355,901
Excess of revenue over expenses	46,925	—	—	46,925
Gifts, grants, and bequests	—	5,543	521	6,064
Investment income	—	2,904	1	2,905
Contribution and change in beneficial interest in charitable remainder and perpetual trusts	—	174	140	314
Government funding of capital equipment	20	—	—	20
Net asset transfers or net assets released from restrictions				
For operations	—	(2,814)	—	(2,814)
For capital purposes	1,021	(1,021)	—	—
Fund transfer	(67)	14	53	—
Change in pension plan obligation	(17,694)	—	—	(17,694)
Change in postretirement obligation	15,880	—	—	15,880
Increase in net assets	46,085	4,800	715	51,600
Net assets at December 31, 2012	357,409	39,185	10,907	407,501
Excess of revenue over expenses	80,921	—	—	80,921
Gifts, grants, and bequests	—	10,929	762	11,691
Investment income	—	6,518	2	6,520
Contribution and change in beneficial interest in charitable remainder and perpetual trusts	—	592	76	668
Government funding of capital equipment	92	—	—	92
Net asset transfers or net assets released from restrictions				
For operations	—	(3,047)	—	(3,047)
For capital purposes	340	(340)	—	—
Fund transfer	642	(633)	(9)	—
Change in Hemophilia Treatment Center	—	946	—	946
Change in pension plan obligation	66,375	—	—	66,375
Change in postretirement obligation	1,593	—	—	1,593
Increase in net assets	149,963	14,965	831	165,759
Net assets at December 31, 2013	\$ 507,372	\$ 54,150	\$ 11,738	\$ 573,260

See accompanying notes

Children's Hospital Medical Center of Akron and Affiliates

Consolidated Statements of Cash Flows (In Thousands)

	Year Ended December 31	
	2013	2012
Operating activities		
Increase in net assets	\$ 165,759	\$ 51,600
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	37,202	35,874
Change in pension plan obligation	(66,375)	17,694
Change in postretirement obligation	(1,593)	(15,880)
Net increase in contribution and change in beneficial interest in charitable remainder and perpetual trusts	(668)	(314)
Loss (gain) on disposal of property, plant, and equipment	3	(8)
Provision for uncollectible accounts	16,000	9,845
Loss on early extinguishment of debt	506	3,964
Restricted fund contributions	(11,691)	(6,064)
Net unrealized gain on investments	(32,529)	(16,671)
Changes to reserve for professional liability	(3,867)	5,775
Pension plan contributions	(6,362)	(8,824)
Changes to accrued pension cost	21,037	18,241
Changes to accrued postretirement benefit obligations and deferred compensation plans	(978)	1,183
Changes to other long-term liabilities	6,295	2,246
Changes in operating assets and liabilities		
Patient accounts and other receivables	(22,191)	(26,727)
Other current assets	(770)	(1,081)
Pledges and other	(2,922)	377
Accounts payable and other current liabilities	3,335	12,447
Estimated third-party payor liabilities	1,446	1,664
Net cash provided by operating activities	101,637	85,341
Investing activities		
Proceeds from sale or maturity of investments	360,914	256,859
Purchases of investments	(483,120)	(300,766)
Purchases of property, plant, and equipment, net	(75,463)	(61,168)
Net cash used in investing activities	(197,669)	(105,075)
Financing activities		
Proceeds on long-term debt	128,783	102,559
Payments to defease debt	(27,125)	(80,915)
Payments on long-term debt	(3,555)	(2,805)
Debt issuance costs	(1,423)	(1,116)
Restricted fund contributions	11,691	6,064
Net cash provided by financing activities	108,371	23,787
Increase in cash and cash equivalents	12,339	4,053
Cash and cash equivalents at beginning of year	25,616	21,563
Cash and cash equivalents at end of year	\$ 37,955	\$ 25,616

() Indicates use of cash

See accompanying notes

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (Dollars in Thousands)

December 31, 2013

1. Organization

The accompanying consolidated financial statements include Children's Hospital Medical Center of Akron (the Hospital), the parent organization and its affiliates, which include Akron Children's Hospital Foundation (the Foundation), Children's Home Care Group (CHCG), Child Dimensions Insurance Company (CDIC), and Children's Health Collaborative LLC, collectively referred to as Children's. All significant intercompany accounts and transactions have been eliminated.

The Hospital has two campuses. The Akron campus, located in Akron, Ohio, is an acute care pediatric hospital with a regional burn center for all ages. The Akron campus provides inpatient, observation, outpatient, surgical and emergency care services primarily for residents of Northeast Ohio. The Beeghly campus, located in Youngstown, Ohio, is an acute care pediatric hospital and provides inpatient, observation, selected outpatient, surgical and emergency care services for the residents of the Mahoning Valley, the geographic valley encompassing the area of Northeast Ohio and Northwest Pennsylvania.

The Foundation is not a private foundation, as it qualifies as an organization described in the Internal Revenue Code (Code) Sections 509(a)(1) and 170(b)(1)(A)(vi), but raises and provides funds solely for the Hospital and its tax-exempt affiliates.

CHCG is a pediatric home health care provider primarily for residents of Northeast Ohio and the Mahoning Valley. CHCG also provides a day-care program for sick children.

CDIC is a Vermont-domiciled captive insurance company.

Children's Health Collaborative LLC is a single member, Ohio limited liability company whereby the Hospital is the sole member. Children's Health Collaborative LLC was organized to hold future Medicaid managed care contracts.

The Hospital and most affiliates are not-for-profit organizations as described in Section 501(c)(3) of the Code, and are exempt from federal income tax on related income under Section 501(a) of the Code.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies

Net Patient Service Revenue and Accounts Receivable

A. Policy for Determining the Timing and Amount of Net Patient Service Revenue to be Recognized

Children's serves certain patients whose medical care costs are not paid at established rates. These patients include those sponsored under government programs such as Medicare and Medicaid, those sponsored under private contractual agreements, charity care patients, and other uninsured patients who do not or are unable to pay. Children's recognizes net patient service revenue associated with patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, revenue is recognized on the basis of discounted rates in accordance with Children's policy.

B. Contractual Allowances and Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors (government programs, commercial insurance companies, health maintenance organizations, and preferred provider organizations), and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors, primarily Medicaid. Children's policy is to bill for, and pursue collection of, all services rendered. An estimated provision for uncollectible accounts is recorded that results in net patient service revenue being reported at the net amount expected to be received. Children's has determined, based on an assessment at the consolidated level, that patient service revenue is primarily recorded prior to assessing the patient's ability to pay and as such, the entire provision for uncollectible accounts related to patient revenue is recorded as a deduction from net patient service revenue in the accompanying consolidated statements of operations and changes in net assets. At the point in time that a charge is believed to be uncollectible, the related receivable is written off as an uncollectible account. Allowances are made for estimated uncollectible accounts.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Retroactive adjustments increased (decreased) net patient service revenue by approximately \$253 in 2013 and (\$414) in 2012. While Medicare cost reports have been reviewed and the Hospital has received Notices of Program Reimbursement (NPRs), cost reports are subject to reopening and retroactive adjustment for a period of three years from the NPR date.

Children's has also entered into payment agreements with commercial insurance carriers and preferred provider organizations. The basis for payment to Children's under these nongovernment payor agreements is primarily discounts from established charges, except for physician services, which are generally paid under fee schedules with the third-party payors. Medicaid reimburses Children's primarily on an All Patient Refined Diagnostic Related Group (APR-DRG) basis for inpatient cases and on a fee schedule for outpatient and physician services. Total allowances and adjustments arising from reimbursement agreements with third-party payors, reported as a reduction of gross patient service revenue, amounted to \$486,896 and \$465,201 in 2013 and 2012, respectively. Excluding Medical Mutual of Ohio (representing 15% and 14% of gross patient service revenue in 2013 and 2012), Anthem (representing 13% of gross patient service revenue in 2013 and 2012, respectively) and governmental programs, no one payor source represents more than 10% of Children's gross patient service revenue. Concentration of credit risk relating to accounts receivable is limited to some extent by the diversity and number of Children's patients and payors. Accounts receivable consist of amounts due from third-party payors and private pay patients. Excluding Medical Mutual of Ohio (representing 11% and 10% of accounts receivable in 2013 and 2012, respectively), and Anthem (representing 13% and 10% of accounts receivable in 2013 and 2012, respectively), and governmental programs, no one payor source represents more than 10% of Children's accounts receivable.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Children's recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, Children's recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Net patient service revenue before the provision for uncollectible accounts by major payor source for the years ended December 31, 2013 and 2012, are as follows:

	2013		2012	
Medicaid	\$	190,802	34%	\$ 185,958 35%
Self-pay		12,989	2	12,319 2
Other		363,970	64	329,835 63
	\$	567,761	100%	\$ 528,112 100%

Laws and regulations governing these programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that reported estimates will change by a material amount in the near term. Children's has received regulatory inquiries and regulatory reviews in the normal course of business. In addition, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid and Medicare programs. Management believes Children's is in compliance with all applicable laws and regulations.

C. Charity Care

Children's has calculated charity care at cost by utilizing a ratio of cost to gross charges applied to gross uncompensated charges associated with providing care to charity patients. Charity care at cost was approximately \$4,615 and \$5,153 for 2013 and 2012, respectively.

Children's participates in the Hospital Care Assurance Program (HCAP). Ohio created HCAP to financially support those Ohio hospitals that service a disproportionate share of low-income patients unable to pay for care. HCAP funds basic, medically necessary hospital services for patients whose family income is at or below the federal poverty level, which includes patients without health insurance.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Children's received gross amounts under HCAP of \$11,484 and \$10,482 in 2013 and 2012, respectively. However, as shown in the consolidated statements of operations and changes in net assets, Children's reported HCAP assessment expense of \$2,813 and \$2,512 in 2013 and 2012, respectively. Total HCAP funds at the state level goes into a state formula with assessments from all participating hospitals which are then disbursed based on factors outside of Children's control. HCAP revenue and assessments are recognized on the consolidated statements of operations and changes in net assets when Children's is entitled and obligated to them and payment is probable.

Future HCAP funding is subject to annual governmental approval, and the program's continued existence is uncertain.

D. Policy for Assessing Timing and Amounts of Uncollectible Accounts

Children's estimation of the allowance for uncollectible accounts is based primarily upon the payor and age of the patient accounts receivable and the effectiveness of Children's collection efforts. Children's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as these charges are recorded. On a periodic basis, Children's reviews its accounts receivable balances, the effectiveness of Children's reserve policies and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following:

- Historical write-off and collection experience using a hindsight or look-back approach
- Revenue and volume trends by payor, particularly the self-pay components
- Changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients
- Trending of days revenue in accounts receivable
- Various allowance coverage statistics

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

E. Changes Within the Allowance for Uncollectible Accounts

Children's allowance for uncollectible accounts for insured and uninsured accounts receivable increased to 9% of accounts receivable at December 31, 2013, and was 7% of accounts receivable at December 31, 2012. In addition, Children's self-pay write-offs increased to \$13,016 for fiscal year 2013 from \$9,287 for fiscal year 2012. Overall net accounts receivable remained fairly consistent with the prior year. However, the self-pay portion of insured and the uninsured patients accounts increased as a percentage of total accounts receivable, which increased the allowance for uncollectible accounts. Children's has not changed its charity care or uninsured discount policies during fiscal year 2013 or 2012.

Electronic Health Record (EHR) Incentive Payments

Under certain provisions of the American Recovery and Reinvestment Act of 2009, federal incentive payments are available to hospitals, physicians, and certain other professionals (Providers) when they adopt certified EHR technology or become "meaningful users" of EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four years. Medicaid Providers can receive their initial incentive payment by adopting, implementing or upgrading (AIU) certified EHR technology, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. Medicaid EHR incentive payments to Providers are 100% federally funded and administered by the states.

Management acquired certified EHR technology for Children's and certain of Children's employed physicians in 2011. Children's and certain of its employed physicians met meaningful use status again in 2013 and 2012, respectively. Accordingly, Children's received Medicaid incentive payments for the hospital and its physicians for the adoption of certified EHR technology and meeting meaningful use criteria. As a result, during the years ended December 31, 2013 and 2012, Children's recognized approximately \$3,662 and \$3,298 of hospital and physician incentive payments from Medicaid as revenue under the grant accounting model. Also, as Children's satisfies specified meaningful use criteria in future periods, it may become entitled to additional Medicaid incentive payments. EHR incentive payments are subject to audit.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Accounting Policies (continued)

Supplemental Medicaid Reimbursement (SMR) and Children's Hospital Graduate Medical Education Program (CHGME)

Children's received \$12,414 and \$12,870 in 2013 and 2012, respectively, from SMR. In 2013 and 2012, SMR includes a supplemental inpatient and outpatient hospital upper limit payment program for children's hospitals paid under the prospective payment system for inpatient hospital services, as well as a Medicaid Managed Care Incentive.

Children's received \$2,770 and \$2,836 in 2013 and 2012, respectively, from CHGME. CHGME provides funding to support the training of pediatric and other residents in graduate medical education programs.

Medicaid Physician Enhanced Reimbursement

Children's received \$8,013 in 2013 from the Affordable Care Act for Medicaid Physician Enhanced Reimbursement. Enhanced reimbursement provides improved professional fee reimbursement to those providers serving Medicaid patients.

Future SMR, CHGME and Medicaid Physician Enhanced Reimbursement funding is subject to annual governmental approval, and the programs' continued existence is uncertain.

Advertising Costs

Children's incurs advertising costs to educate Northeast Ohio of Children's services in the form of print, radio, television, and internet, which are expensed as incurred. Advertising costs were approximately \$6,816 and \$5,892 in 2013 and 2012, respectively, and are classified within purchased services in the consolidated statements of operations and changes in net assets.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Contributions and Grants

Unconditional donor promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional donor promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted 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 the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are classified as contributions in the current years.

No amounts have been reflected in the consolidated financial statements for donated services. Children's pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Children's with various programs.

Grants received for research and development projects are reported as unrestricted revenue and as expenses in the consolidated statements of operations and changes in net assets in the period in which expenditures for such projects are incurred. Funds received in advance of expenditures are invested and accounted for as temporarily restricted net assets. Research, development, and contracted education costs recognized as unrestricted revenue were \$4,370 and \$3,052 in 2013 and 2012, respectively.

Gifts of long-lived assets such as land, buildings, or equipment are reported as an addition to unrestricted net assets unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions and other or as an addition to temporarily restricted net assets in the accompanying consolidated statements of operations and changes in net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Excess of Revenue Over Expenses or Performance Indicator

The consolidated statements of operations and changes in net assets include the excess of revenue over expenses sometimes referred to as the performance indicator. Changes in unrestricted net assets that are excluded from the excess of revenue over expenses include contributions of capital (including assets acquired using governmental or donor contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in pension plan and other postretirement obligations. This is consistent with industry practice.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Children's has been limited by donors to a specific time period or purpose. Funds restricted for specific operating purposes are classified as unrestricted contributions to the extent used within the current period. Investment income including the net changes in fair value on investments of temporarily restricted net assets are added to or deducted from temporarily restricted net assets. Investment income on temporarily restricted net assets of \$6,518 and \$2,904 in 2013 and 2012, respectively, include unrealized gains of \$5,386 and \$2,192 in 2013 and 2012, respectively. Permanently restricted net assets have been restricted by donors to be maintained by Children's in perpetuity while the investment earnings are reported as temporarily restricted net assets as stated above.

Fair Value Measurements

Fair value measurements are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

The framework for measuring fair value is comprised of a three-level hierarchy based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Children's believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts. Actual results may differ from those estimates.

Cash and Cash Equivalents

Children's considers all highly liquid investments with a maturity of three months or less when purchased, including money market mutual funds, to be cash equivalents. However, cash and cash equivalents not designated for operations are classified in investments.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost (weighted-average method) or net realizable value

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the December 31, 2013 and 2012 consolidated financial statements. All investments are classified as trading.

Investment income (including realized and unrealized gains and losses on investments, interest and dividends) net of investment fees are reported as nonoperating gains (losses) in the accompanying consolidated statements of operations and changes in net assets unless the income or loss is restricted by donor or law in which case the amounts are classified as increases in temporarily restricted net assets. Realized gains and losses are recognized using the average cost method.

Investments in alternative investments, which may include hedge funds, private equity/venture funds and real estate funds, are primarily limited partnerships that invest in marketable securities, privately held securities, real estate, and derivative products and are reported using the equity method of accounting based on net asset value information provided by the respective partnership or third-party fund administrators. Investments held by the partnerships consist of marketable securities as well as securities that do not have readily determinable values. The values of the securities held by the limited partnerships that do not have readily determinable values are determined by the general partner and are based on historical cost, appraisals, or other valuation estimates that require varying degrees of judgment. There is inherent uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a ready market for the securities existed. Generally, the equity method investment balance of Children's holdings in alternative investments reflects net contributions to the partnerships and Children's share of realized and unrealized investment income and expenses. The investments may individually expose Children's to securities lending, short sales, and trading in futures and forward contract options and other derivative products. Children's risk is limited to its carrying value. Alternative investments can be divested only at specified times in accordance with terms of the partnership agreements. The financial statements of the limited partnerships are audited annually.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Children's investments are exposed to a variety of risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that change could materially vary from the amounts reported in the consolidated statements of operations and changes in net assets.

Property, Plant, and Equipment

Property, plant, and equipment are reported at cost if purchased or fair value at date received, if donated. Routine maintenance, repairs, renewals, and replacement costs are charged to expense as incurred. Expenditures that substantially increase the useful lives or functionality of existing assets are capitalized. Children's provides depreciation (including amortization of capital leases) using the straight-line method with half-year convention over the estimated useful lives (ranging from 3 to 40 years) of plant and equipment. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated statements of operations and changes in net assets. Assets acquired under capital lease arrangements are excluded from the consolidated statement of cash flows.

As required by *Topic 410 – Asset Retirement and Environmental Obligations* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), if an entity has sufficient information to reasonably estimate the fair value of an obligation in connection with the retirement of an asset, it is required to recognize a liability when the retirement occurs. Management has considered this topic specifically as it relates to its asset retirement activities, such as asbestos removal, on its existing properties. No liability is necessary at December 31, 2013 or 2012.

Included in the financial statements are unamortized computer software costs of \$33,930 and \$36,786 at December 31, 2013 and 2012, respectively. Amortization of computer software costs totaled \$6,902 and \$4,412 in 2013 and 2012, respectively.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Accounting Policies (continued)

Children's began construction of a new seven story Critical Care Tower in 2013, which is being constructed using an integrated project delivery (IPD) construction method. The Critical Care Tower is the first phase of Children's planned expansion of the Akron campus, and is estimated to cost \$180,000. The new building will include outpatient surgery, a new emergency department, and expanded neonatal intensive care services. Included in the IPD contract is an Incentive Compensation Layer (ICL) provision where the construction partners will share in savings resulting from the IPD method. At December 31, 2013, Children's has included \$3,646 in other long-term liabilities and construction-in-progress for estimated ICL.

Impairment of Long-Lived Assets

Children's evaluates the recoverability of long-lived assets and the related estimated remaining lives at each consolidated balance sheet date. If events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable, Children's will perform an impairment analysis to determine if the carrying value may not be recoverable or the useful life has changed.

Deferred Financing Costs

Other assets include other deferred financing costs for the Series 2012, Series 2013 and Series 2013B bonds, for the year ended December 31, 2013.

Deferred financing costs and the cost of noncancelable municipal bond insurance on the Series 2003 Bonds were written off when these bonds were defeased, as noted in Note 6.

For the year ended December 31, 2012, other assets included the cost of noncancelable municipal bond insurance insuring the payment of principal and interest on the Series 2003 Bonds and other deferred financing costs for the Series 2003 and Series 2012 Bonds.

Deferred financing costs are being amortized over the period the obligation is outstanding using the bonds outstanding method.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Accounting Policies (continued)

Other Assets

In December 2010, Children's consummated an agreement whereby as of December 31, 2010 (the acquisition date), Children's purchased the rights to own and operate the 21-bed special care nursery (Summa SCN) on the Akron City Hospital campus of Summa Health System (Summa). The fair value of the consideration received at the acquisition date included \$7,769 of intangible assets assigned to the right to conduct business, with a ten-year useful life. Amortization of the intangible assets is expected to be \$777 per year over the next seven years. The unamortized balance at December 31, 2013 and 2012, respectively, is \$5,438 and \$6,215.

Beneficial Interest in Charitable Remainder and Perpetual Trusts

Children's has irrevocable rights to receive a portion of the specified cash flows from certain perpetual and charitable remainder trusts. Due to the time restriction of Children's access to the assets held in these trusts, Children's interests in the charitable remainder and perpetual trusts are reported as temporarily and permanently restricted net assets, respectively. Adjustments to the fair value of the trusts are recognized as increases or decreases in temporarily and permanently restricted net assets. Distributions from these trusts are reported in net assets released from restrictions in accordance with the donors' restrictions.

Reclassification

Certain prior year amounts have been reclassified in the consolidated statements of cash flows to conform with the current year presentation.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

3. Pledges

Pledges are classified either in current other receivables or in pledges and reported at net present value and are due in future years as follows

	December 31	
	2013	2012
Less than one year	\$ 2,482	\$ 740
One to five years	3,206	493
Greater than five years	1,501	1,933
	<u>7,189</u>	<u>3,166</u>
Less present value discount	1,038	1,272
Total pledges	<u>\$ 6,151</u>	<u>\$ 1,894</u>

4. Investments

Investments are comprised of the following funds

	December 31	
	2013	2012
Depreciation fund	\$ 336,487	\$ 279,361
Unrestricted Foundation investments	56,882	47,498
Other investments	10,198	7,601
Bond project fund	74,202	16,051
Self-insurance funds	75,962	59,071
Temporarily and permanently restricted	50,877	40,291
Total investments	<u>\$ 604,608</u>	<u>\$ 449,873</u>

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

4. Investments (continued)

The composition of investments is as follows

	December 31	
	2013	2012
Equities – U S	\$ 111,482	\$ 91,525
Equities – international	6,866	5,895
Mutual funds – U S equities	26,950	12,445
Mutual funds – international equities	58,038	48,954
Mutual funds – U S government securities	39,992	32,203
Mutual funds – international bonds	9,628	9,268
Mutual funds – U S corporate obligations	8,914	8,420
Mutual funds – multiclass	12,119	13,801
Cash and cash equivalents	5,203	3,349
Money market funds	63,623	70,001
Certificates of deposit	2,809	5,125
U S government securities	113,298	57,680
U S government asset-backed securities	35,338	41,879
Corporate debt-backed securities	75,689	15,036
Corporate asset-backed securities	–	151
Corporate obligations – U S	23,990	24,099
Corporate obligations – international	251	966
Guaranteed investment contracts	1,007	859
Interest receivable	562	655
Total investments at fair value	<u>595,759</u>	<u>442,311</u>
Alternative investments – equity funds	2,666	1,922
Alternative investments – multiclass funds	6,183	5,640
Total investments at equity method	<u>8,849</u>	<u>7,562</u>
Total investments	<u>\$ 604,608</u>	<u>\$ 449,873</u>

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

4. Investments (continued)

Investment income on all investments is comprised of the following

	Year Ended December 31	
	2013	2012
Investment gains		
Interest and dividends	\$ 5,521	\$ 6,752
Net realized gains on sales of securities	8,049	8,252
Unrealized gains on investments	25,844	13,786
Gross investment gains	39,414	28,790
Investment management, custodian, and trustee fees	(897)	(835)
Unrestricted investment gains, net	38,517	27,955
Investment income on equity method investments	1,382	1,672
Restricted investment gains, net	6,520	2,905
	<u>\$ 46,419</u>	<u>\$ 32,532</u>

Children's invests in alternative investments through limited partnerships. These alternative investments provide Children's with a proportionate share of the investment gains and losses of the underlying funds. An investment manager, or general partner, has full discretionary authority over the investment decisions of the limited partnership. Children's share of the alternative investment's income or loss, both realized and unrealized, is recognized as investment income under the equity method of accounting.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Investments (continued)

The following table shows the major categories of alternative investments

	Year Ended December 31		Redemption Frequency	Redemption Notice Period
	2013	2012		
Equity funds (a)	\$ 2,666	\$ 1,922	Monthly	30-60 days
Multiclass funds (b)	6,183	5,640	Quarterly	30-65 days
	<u>\$ 8,849</u>	<u>\$ 7,562</u>		

(a) This category includes investments in both long and short U S and foreign common stocks traded on published stock exchanges. The fund manager primarily invests in small- and mid-capitalization growth companies. The manager has the latitude to shift investments from a net long position to a net short position. The investment objectives of the equity funds are to provide diversification and growth opportunities.

(b) This category includes investments in a hedge fund that invests in "fund of funds" that pursues multiple strategies of relative value, long/short equity, and event-driven opportunities. The hedge fund's composite portfolio for this category includes investments in approximately 33% of U S common stocks held either long or short, 25% in long/short fixed income holdings, 16% in global holdings, 7% in portfolio hedges, and the remaining 19% in other investments. The investment objective of the multiclass funds are to diversify risks and reduce volatility.

There are no future required capital contributions for the alternative investments.

5. Assets and Liabilities Measured at Fair Value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are reasonable estimates of fair value due to the short-term nature of these financial instruments. At December 31, 2013 and 2012, the fair value of Children's long-term debt, as estimated by discounted cash flow analyses using current borrowing rates for similar types of borrowing arrangements and adjusted for credit, was \$209,795 and \$133,855, respectively. Long-term debt would be classified as Level 2 in the fair value hierarchy.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Assets and Liabilities Measured at Fair Value (continued)

The following table summarizes Children's investments measured at fair value on a recurring basis as of December 31, 2013 and 2012, aggregated by the level in the fair value hierarchy within which those measurements are measured

	December 31, 2013			December 31, 2012		
	Quoted Prices in Active Markets for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total	Quoted Prices in Active Markets for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Investments						
Equities – U S	\$ 111,482	\$ –	\$ 111,482	\$ 91,525	\$ –	\$ 91,525
Equities – international	6,866	–	6,866	5,895	–	5,895
Mutual funds – U S equities	26,950	–	26,950	12,445	–	12,445
Mutual funds – international equities	58,038	–	58,038	48,954	–	48,954
Mutual funds – U S government securities	39,992	–	39,992	32,203	–	32,203
Mutual funds – international bonds	9,628	–	9,628	9,268	–	9,268
Mutual funds – U S bonds	8,914	–	8,914	8,420	–	8,420
Mutual funds – multiclass	12,119	–	12,119	13,801	–	13,801
Cash and cash equivalents	5,203	–	5,203	3,349	–	3,349
Money market funds	63,623	–	63,623	70,001	–	70,001
Certificates of deposit	–	2,809	2,809	–	5,125	5,125
U S government securities	–	113,298	113,298	–	57,680	57,680
U S government asset-backed securities	–	35,338	35,338	–	41,879	41,879
Corporate debt-backed securities	–	75,689	75,689	–	15,036	15,036
Corporate asset-backed securities	–	–	–	–	151	151
Corporate obligations – U S	–	23,990	23,990	–	24,099	24,099
Corporate obligations – international	–	251	251	–	966	966
Guaranteed investment contracts	–	1,007	1,007	–	859	859
Interest receivable	562	–	562	655	–	655
Total investments	343,377	252,382	595,759	296,516	145,795	442,311
Beneficial interest in charitable remainder and perpetual trusts	–	9,121	9,121	–	8,453	8,453
Total assets at fair value	\$ 343,377	\$ 261,503	\$ 604,880	\$ 296,516	\$ 154,248	\$ 450,764

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Assets and Liabilities Measured at Fair Value (continued)

Valuation methodologies used for assets and liabilities measured at fair value are as follows

- **Equities and mutual funds** Securities and mutual funds listed or traded on securities exchanges are valued at the closing price on the exchange where the security is principally traded. These securities are classified as Level 1 because quoted prices in active markets are available.
- **Debt securities** Debt securities include U.S. government securities, U.S. government asset-backed securities, corporate debt-backed securities, corporate asset-backed securities, and corporate obligations. These securities are valued using evaluated prices provided by nationally recognized pricing services. Because the evaluated prices are based on observable inputs, such as available trade information, spreads, bids and offers, prepayment speeds, U.S. Treasury curves and interest rate movements, securities in this category are classified as Level 2.
- **Cash and cash equivalents** Cash and cash equivalents include cash and cash equivalents and are classified as Level 1.
- **Money market funds** Money market funds are valued at net asset value ("NAV"). NAV is equal to the market value of each money market fund's investments and other assets, less liabilities, divided by the number of fund shares. These short-term investments are composed of highly liquid investments with maturities of three months or less and are classified as Level 1, and are not likely to be sold at amounts different from NAV per share. The investment objectives related to cash and money market funds is stability and liquidity.
- **Certificates of deposit** Certificates of deposit are valued based on original cost plus accrued interest, which approximates fair value. Certificates of deposit are classified as Level 2.
- **Guaranteed investment contracts** These fixed income accounts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer, and are classified as Level 2.
- **Beneficial interest in charitable remainder and perpetual trusts** are recorded at fair value, based on Children's beneficial interest in the investments held in the trust which are measured at fair value, and are classified as Level 2.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Assets and Liabilities Measured at Fair Value (continued)

There were no securities classified as Level 3 during the years ended December 31, 2013 and 2012

6. Long-Term Debt and Leases

Long-term debt is summarized as follows

	December 31	
	2013	2012
Hospital Improvement Revenue Bonds Series 2003, defeased on December 16, 2013, net of unamortized premiums of \$50 at December 31, 2012	\$ —	\$ 29,460
Hospital Improvement and Refunding Revenue Bonds Series 2012, principal maturing in various annual amounts at fixed interest rates ranging from 4.00% to 5.00%, due through November 15, 2042, net of unamortized premiums of \$6,439 and \$6,894 at December 31, 2013 and 2012, respectively, collateralized by a pledge of the Hospital's gross revenue	99,749	101,369
Hospital Improvement Revenue Bonds Series 2013, principal maturing in various annual amounts at fixed interest rates ranging from 4.00% to 5.00%, due through November 15, 2043, net of unamortized premiums of \$3,752 at December 31, 2013, collateralized by a pledge of the Hospital's gross revenue	101,097	—
Hospital Refunding Revenue Bonds Series 2013B, principal maturing in various annual amounts at a fixed interest rate of 2.15%, due through November 15, 2025, collateralized by a pledge of the Hospital's gross revenue	27,405	—
Total debt	228,251	130,829
Less current portion	4,020	3,555
Total long-term debt	\$ 224,231	\$ 127,274

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

6. Long-Term Debt and Leases (continued)

Hospital Improvement Revenue Bonds Series 2001 (Series 2001 Bonds) were issued in November 2001 through the Akron, Bath, and Copley Joint Township Hospital District (District) to finance the expansion and renovation of Children's (the Project), including construction of the Considine Building, the expansion and renovation of areas in the Hospital, and the expansion of the Bowery parking deck. These bonds were defeased on June 14, 2012. A loss on early extinguishment of debt of \$3,964 was recognized in 2012.

Hospital Improvement and Refunding Revenue Bonds Series 2003 (Series 2003 Bonds) were issued in November 2003 through the District to finance the defeasement of the Hospital Refunding Revenue Bonds Series 1993 (Series 1993 Bonds) and to provide additional funds for the Project. These bonds were defeased on December 16, 2013. A loss on early extinguishment of debt of \$506 was recognized in 2013.

Hospital Improvement and Refunding Revenue Bonds Series 2012 (Series 2012 Bonds) were issued in May 2012 through the District to finance the defeasement of the Hospital Improvement Revenue Bonds Series 2001 and to provide funds for the construction of a new additional approximately 1,200 space parking deck.

Hospital Improvement Revenue Bonds Series 2013 (Series 2013 Bonds) were issued in May 2013 through the District to finance the construction of the Critical Care Tower addition as part of the Children's multiphase Master Facility Plan.

Hospital Refunding Revenue Bonds Series 2013B (Series 2013B Bonds) were issued in November 2013 through the District to finance the defeasement of the Hospital Improvement and Refunding Bonds Series 2003.

A lease agreement was entered into in 1989, and subsequently amended in 1993, 2001, 2003, 2012 and 2013 whereby the District leases the facilities and equipment to Children's for a term to correspond with the term of the bonds. Title to substantially all real property rests with the District. Full operational control of these assets is vested in Children's Board of Directors. For financial statement purposes, these leased facilities are considered to be owned by Children's.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

6. Long-Term Debt and Leases (continued)

The lease with the District and the Series 2012, 2013 and 2013B Supplemental Bond Indentures provides for required payments by Children's to the bond trustee in amounts sufficient to pay the principal and interest on the bonds. Children's has unconditionally guaranteed its obligations under the lease, which is secured by a security interest in the gross receipts of Children's.

The scheduled principal payments on Children's revenue bonds are as follows:

	Principal Amounts
Years ending December 31	
2014	\$ 4,020
2015	4,130
2016	4,240
2017	4,370
2018	4,490
Thereafter	196,810
Total debt	218,060
Unamortized premium	10,191
Total debt and unamortized premium	<u>\$ 228,251</u>

Under the terms of its Master Trust Indenture and Supplemental Master Trust Indenture Numbers Six, Nine, Ten, Eleven, Twelve and Thirteen (dated February 15, 1989, November 1, 2001, November 15, 2003, December 15, 2009, May 15, 2012, May 15, 2013 and November 14, 2013 respectively), Children's is subject to various covenants. Supplemental Master Trust Indenture Numbers Ten and Eleven revised the obligated group to include both the Hospital and the Foundation, gave the bond insurer a mortgage on the Akron campus including the Hospital, the Considine Building, Locust 1 and 2 medical office buildings and the related parking decks, and revised the financial covenants. Children's is in compliance with the covenant calculations for the years ended December 31, 2013 and 2012.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

6. Long-Term Debt and Leases (continued)

Interest cost incurred on borrowed funds is capitalized as a component of the cost of acquiring those assets in conformity with ASC 835, *Interest*

	2013	2012
Interest expense	\$ 8,067	\$ 5,634
Capitalized interest	(3,488)	(928)
Net interest expense	<u>\$ 4,579</u>	<u>\$ 4,706</u>

Children's paid interest of \$8,122 and \$5,720 for the years ended December 31, 2013 and 2012, respectively

At December 31, 2013, Children's has an outstanding purchase commitment of \$1,755 related to information technology

Children's has entered into various operating leases for facilities used in its operations as well as certain equipment. Facility leases include the rental of space to provide neonatal intensive care, special care nursery, and a pediatric inpatient unit at various locations, as well as physician office space. Total rental expense for its operating leases was \$6,689 and \$6,485 in 2013 and 2012, respectively. Future minimal rental commitments at December 31, 2013, for noncancelable operating leases, are as follows:

2014	\$ 7,081
2015	6,623
2016	6,151
2017	5,430
2018	4,383
Thereafter	19,345
Total operating leases	<u>\$ 49,013</u>

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Reserve for General and Professional Liability

CDIC maintains Children's and its employed physicians' primary layer of professional liability insurance, and beginning June 1, 2003, general liability insurance on an occurrence coverage basis. In addition, CDIC provides excess liability coverage through a commercial insurance company on a claims-made basis to Children's. Liability claims have been asserted against Children's by various claimants. These claims are in various stages of processing or are in litigation. There are known incidents and perhaps unknown incidents, which may result in assertion of additional claims. The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Therefore, loss development factors are used to project the additional cost expected on claims associated with current and past loss periods. These factors quantify the late developing aspects of certain losses, such as verdict values for litigated claims, which are different than the amount that was reserved to pay the claims. They also account for losses that occurred during the period but are not reported until a later date, commonly referred to as incurred but not reported losses, or IBNRs. The reserve for professional liability includes estimates of the ultimate costs for both reported and IBNR claims and is undiscounted for 2013 and 2012.

The reserve for professional liability includes case-basis estimates of reported losses, plus amounts provided for IBNR losses calculated based upon loss projections utilizing actuarial studies of historical and industry data. In establishing the liability for losses and loss adjustment expenses, CDIC utilizes the findings of an independent consulting actuary. The actuary has applied loss development techniques as well as the Bornhuetter-Ferguson Technique to evaluate reserves.

Management has recorded its reserves within the range of acceptable values provided by the actuary and believes that its aggregate liability for unpaid losses and loss adjustment expenses at year-end represents its best estimate, based upon available data, of the amount necessary to cover ultimate cost of losses. However, Children's professional liability coverage is characterized by considerable volatility in both claim frequency and claim severity. Such volatility is a function of demographic, social, legal, and other considerations, which are not directly quantifiable. Accordingly, the ultimate liability could vary significantly from the amount recorded in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations. Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional liability (income) expense of (\$1,215) and \$8,473 in 2013 and 2012, respectively. Additionally, in 2013, Children's recognized a change in estimate of \$8,000 due to favorable experience in claims exposure.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans

Children's has a 403(b) matching retirement savings plan, which covers employees who meet certain age, eligibility, and service requirements. Children's matches 50% of the employee's contribution up to 4% of defined compensation. Expense reported on the consolidated statements of operations and changes in net assets under this plan amounted to \$4,081 and \$3,824 in 2013 and 2012, respectively.

Children's has a defined contribution plan, Children's Retirement Security Plan, covering employees hired January 1, 2007, and forward. The plan is funded by Children's and the investments are controlled by each plan participant. Expense reported on the consolidated statements of operations and changes in net assets was \$3,904 and \$3,217 in 2013 and 2012, respectively.

Children's has a noncontributory defined benefit pension plan covering substantially all employees who were employed prior to January 2007. The plan provides benefits based on the participants' years of service and compensation or stated amounts for each year of service. Children's funding policy is to contribute amounts to the plan sufficient to meet minimum funding requirements of the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, and other such amounts as Children's may contribute.

In addition to Children's pension plan, Children's sponsors a health care plan that provides other postretirement medical benefits to retirees who meet certain age and length of service requirements. The plan contains cost-sharing features such as deductibles and coinsurance. Children's policy is to fund the cost of medical benefits on a pay-as-you-go basis. Children's has no plan assets designated for funding of its accrued postretirement benefit cost.

Effective January 1, 2013, Children's replaced the group healthcare plan offered to Children's Medicare retirees with individual Medigap supplement, prescription drug, and Medicare Advantage plans. Because notice was given to participants in September 2012, the postretirement medical benefits plan liability was reduced by \$21,864 at December 31, 2012, for this change from a self-insured product.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

A summary of the changes in the benefit obligation as actuarially determined and plan assets and the resulting funded status of pension and other postretirement benefit plans at December 31, are as follows

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 288,940	\$ 241,956	\$ 23,509	\$ 38,291
Service cost	12,618	10,958	956	1,433
Interest cost	11,633	11,142	913	1,465
Plan participant contributions	—	—	139	373
Plan change	—	—	(105)	(21,864)
Medicare Part D impact	—	—	—	108
Actuarial (gains) losses	(45,325)	29,504	(3,628)	4,598
Plan administrative expenses	—	—	(38)	(36)
Benefits paid	(5,108)	(4,620)	(1,016)	(859)
Benefit obligation at end of year	262,758	288,940	20,730	23,509
Change in plan assets				
Fair value of plan assets at beginning of year	163,026	143,152	—	—
Actual return on plan assets	27,587	18,122	—	—
Employer contributions	3,038	6,372	915	522
Plan participant contributions	—	—	139	373
Plan administrative expenses	—	—	(38)	(36)
Benefits paid	(5,108)	(4,620)	(1,016)	(859)
Fair value of plan assets at end of year	188,543	163,026	—	—
Underfunded status of the plan	\$ (74,215)	\$ (125,914)	\$ (20,730)	\$ (23,509)

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Retirement Plans (continued)

Amounts recognized in the consolidated balance sheets are as follows

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Current liability	\$ (37)	\$ (36)	\$ (793)	\$ (810)
Noncurrent liability	(74,178)	(125,878)	(19,937)	(22,699)
Total liabilities	<u>\$ (74,215)</u>	<u>\$ (125,914)</u>	<u>\$ (20,730)</u>	<u>\$ (23,509)</u>
Accumulated benefit obligation	<u>\$ 210,152</u>	<u>\$ 224,957</u>	<u>\$ —</u>	<u>\$ —</u>

Weighted-average assumptions used to determine benefit obligations at December 31 (and benefit cost) in the subsequent year are as follows

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Assumptions benefit obligation				
Discount rate	4.99%	4.05%	4.83%	3.90%
Expected increases in future compensation levels – age graded	3.50%-7.50%	3.50%-7.50%	—	—
Assumptions – net periodic benefit cost				
Discount rate	4.05%	4.61%	—	—
Expected return on plan assets	7.75%	7.75%	—	—
Expected increases in future compensation levels – age graded	3.50%-7.50%	3.50%-7.50%	—	—

Moving the discount rate from 4.05% to 4.99% resulted in a \$46,084 actuarial gain in the pension benefit obligation for 2013. Also, moving the discount rate from 3.90% to 4.83% resulted in a \$3,016 actuarial gain in the postretirement benefit obligation for 2013.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

Weighted-average asset allocations of pension plan investments at December 31 are

	2013	2012
Equity securities	57%	53%
Fixed income	30	35
Alternative investments – multiclass	5	5
Alternative investments – U S equities	8	7
Total investments	100%	100%

The expected return on plan assets for 2013 was based on the allocation of pension asset investments and the estimated long-term return. The targeted long-term returns are 8.8% to 11.9% for equity securities, 4.0% for fixed income securities, and 6.4% for alternative investments. The expected return is based on a conservative methodology applied to the asset allocation and estimated return including market volatility.

The written investment policy for the pension plan includes the following target allocation:

- 60% in equities or alternative investments with holdings in U S equities
- 25% in fixed income investments
- 15% in other alternative investments

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

The pension plan's obligations are long-term in nature and the investment policy is therefore focused on a long-term horizon. Goals include achieving returns at least equal to relevant indices. Management, outside advisors, and the Investment Committee, a subcommittee of the Finance Committee of the Board of Directors, regularly review and discuss investment performance, as well as asset managers, rebalancing to the written investment policy, the investment policy itself, and approve changes in asset managers and asset allocation. The following tables present Children's financial instruments included in the pension plan as of December 31, 2013 and 2012, measured at fair value on a recurring basis based on the valuation hierarchy.

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Investments				
Equities – U S	\$ 47,684	\$ –	\$ –	\$ 47,684
Equities – international	3,409	–	–	3,409
Mutual funds – U S equities	15,533	–	–	15,533
Mutual funds – international equities	41,726	–	–	41,726
Mutual funds – U S government securities	9,796	–	–	9,796
Mutual funds – international bonds	3,484	–	–	3,484
Mutual funds – U S corporate obligations	3,557	–	–	3,557
Mutual funds – multiclass	9,930	–	–	9,930
Money market funds	8,699	–	–	8,699
U S government securities	–	5,996	–	5,996
U S government asset-backed securities	–	4,256	–	4,256
Corporate obligations – U S	–	10,289	–	10,289
Interest receivable	251	–	–	251
Alternative investments				
Equity funds	–	–	14,395	14,395
Multiclass funds	–	–	9,538	9,538
Total assets at fair value	\$ 144,069	\$ 20,541	\$ 23,933	\$ 188,543

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Investments				
Equities – U S	\$ 39,809	\$ –	\$ –	\$ 39,809
Equities – international	2,798	–	–	2,798
Mutual funds – U S equities	6,966	–	–	6,966
Mutual funds – international equities	36,322	–	–	36,322
Mutual funds – U S government securities	8,379	–	–	8,379
Mutual funds – international bonds	3,356	–	–	3,356
Mutual funds – U S corporate obligations	3,360	–	–	3,360
Mutual funds – multiclass	12,504	–	–	12,504
Money market funds	10,585	–	–	10,585
U S government securities	–	3,743	–	3,743
U S government asset-backed securities	–	4,781	–	4,781
Corporate obligations – U S	–	9,830	–	9,830
Corporate obligations – international	–	463	–	463
Interest receivable	333	–	–	333
Alternative investments				
Equity funds	–	–	11,116	11,116
Multiclass funds	–	–	8,681	8,681
Total assets at fair value	\$ 124,412	\$ 18,817	\$ 19,797	\$ 163,026

The following table sets forth a summary of changes in fair value of the plan's Level 3 assets for the years ended December 31, 2013 and 2012

	Equity Funds	Multiclass Funds	Total
Fair value as of January 1, 2012	\$ 9,459	\$ 9,297	\$ 18,756
Sales	–	(741)	(741)
Realized gains	–	26	26
Unrealized gains	1,657	99	1,756
Fair value as of December 31, 2012	11,116	8,681	19,797
Sales	(1,000)	–	(1,000)
Realized gains	405	–	405
Unrealized gains, net	3,874	857	4,731
Fair value as of December 31, 2013	\$ 14,395	\$ 9,538	\$ 23,933

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

The following table shows the redemption restrictions related to alternative investments in which the pension plan is invested

	Fair Value	Redemption Frequency	Redemption Notice Period
Equity funds	\$ 14,395	Monthly	30-60 days
Multiclass funds	9,538	Quarterly	30-65 days
Total alternative investments	<u>\$ 23,933</u>		

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 5. See Note 4 for a definition of alternative investments fund types and investment objectives. Limited partnerships are classified as Level 3. Fair value methodologies for limited partnerships are valued at NAV of units held at year end. The NAV is used as a practical expedient, which is equal to the market value of each fund's investments and other assets, less liabilities, divided by the number of fund shares.

Children's does not expect to contribute to the pension plan in 2014. Children's does not expect to contribute to the other postretirement medical benefit plan (beyond health reimbursement account payments) in 2014.

The benefits expected to be paid during each fiscal year ending December 31, 2014 through 2023 and beyond are as follows:

	Pension Benefits	Other Postretirement Benefits
2014	\$ 6,057	\$ 812
2015	7,118	885
2016	8,174	950
2017	9,266	1,022
2018	10,442	1,097
2019–2023	70,914	6,531

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	One-Percentage Point Increase		One-Percentage Point Decrease	
Effect on total service and interest cost components	\$	162	\$	(124)
Effect on postretirement benefit obligation	\$	1,146	\$	(907)

Assumed healthcare trend rates at December 31

	2013	2012
Initial rate	7.5%	8.0%
Ultimate rate	5.0%	5.0%
Year ultimate reached	2024	2042

The year that the ultimate rate will be reached changed in 2013 and is attributable to the change in retiree medical plan and to a declining number of future retirees being eligible for coverage.

The components of net periodic benefit cost are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Component of net periodic benefit cost				
Service cost	\$ 12,618	\$ 10,958	\$ 956	\$ 1,432
Interest cost	11,633	11,142	913	1,465
Expected return on assets	(12,575)	(11,284)	—	—
Prior service cost (benefit) amortization	122	122	(3,156)	(2,092)
Net amortization of actuarial losses	5,915	4,850	1,016	705
Total net periodic benefit cost (income)	\$ 17,713	\$ 15,788	\$ (271)	\$ 1,510

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Retirement Plans (continued)

Amounts included in unrestricted net assets that have not been recognized in net periodic pension and other postretirement benefits cost as of December 31, 2013 and 2012, are as follows

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Unrecognized actuarial loss	\$ 35,052	\$ 101,305	\$ 11,546	\$ 16,190
Unrecognized prior service cost (benefit)	327	449	(17,734)	(20,785)
Unrecognized amounts in unrestricted net assets	<u>\$ 35,379</u>	<u>\$ 101,754</u>	<u>\$ (6,188)</u>	<u>\$ (4,595)</u>

Amounts recognized in unrestricted net assets in 2013 and 2012, are as follows

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Actuarial net (gains) losses	\$ (60,338)	\$ 22,666	\$ (3,628)	\$ 4,597
Prior service cost occurring during the year	—	—	(105)	(21,864)
Amortization of net loss	(5,915)	(4,850)	(1,016)	(705)
Amortization of net prior service (cost) credit	(122)	(122)	3,156	2,092
Amounts recognized in unrestricted net assets	<u>\$ (66,375)</u>	<u>\$ 17,694</u>	<u>\$ (1,593)</u>	<u>\$ (15,880)</u>

The expected amortization of these amounts to be recognized during the year ended December 31, 2013 is \$1,433 of actuarial losses and \$1,670 of prior service credit

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Long-Term Liabilities

At December 31, 2013 and 2012, \$12,971 due to a third party, is classified as a long-term liability on the consolidated balance sheets, which may be payable if the Beeghly Campus were to be sold

Children's sold certain physicians' property suites, with an obligation to repurchase the property if certain circumstances were to occur Children's has recorded a long-term liability of \$3,286 and \$3,231 in 2013 and 2012, respectively, for future amounts payable to physicians if the buyback provisions are exercised

10. Endowments

Children's endowments consist of approximately 54 individual funds established for a variety of purposes Its endowments include donor-restricted endowment funds Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions All of the Children's endowment funds are deemed to be permanently restricted either by explicit donor stipulation or by law

Children's has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, Children's 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 as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Children's in a manner consistent with the standard of prudence prescribed by UPMIFA

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Endowments (continued)

In accordance with UPMIFA, Children's considers the following factors in making a determination to appropriate or accumulate donor-restricted funds

- 1 The duration and preservation of the fund
- 2 The purposes of Children's and the donor-restricted endowment fund
- 3 General economic conditions
- 4 The possible effect of inflation and deflation
- 5 The expected total return from income and the appreciation of investments
- 6 Other resources of Children's
- 7 The investment policies of Children's

Children's follows the objectives of the Akron Children's Hospital Foundation Investment Policy Statement. The objective of the investment program is to provide earnings from cash resources to be used to help support the business and mission of Children's. This investment objective attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets under UPMIFA include those assets of donor-restricted funds that Children's must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

To satisfy its long-term rate-of-return objectives, Children's relies on a total investment return strategy in which investment returns are the sum of realized gains or losses and income, plus unrealized capital appreciation or depreciation, net of fees that should outperform its respective benchmark, over a typical market cycle at volatility levels in line with the respective benchmark. Children's targets a diversified asset allocation to achieve its long-term objective within prudent risk constraints. Actual returns in any given year may vary.

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Endowments (continued)

Children's policy is to record the annual income as temporarily restricted and expend upon meeting donor stipulations. If donor stipulations are broad, the annual income is recognized as unrestricted. Children's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns. At December 31, 2013 and 2012, the endowment net asset composition consist of the following:

	2013	2012
Unrestricted		
Board-designated funds	\$ 1,917	\$ 1,607
Permanently restricted		
Donor-restricted funds	11,738	10,907
Total endowment	<u>\$ 13,655</u>	<u>\$ 12,514</u>

Permanently restricted net asset earnings are available for professional education, purchase of property and equipment, indigent care, and operational purposes.

Changes in endowment net assets for the years ended December 31, 2013 and 2012, consist of the following:

	December 31	
	2013	2012
Endowment net assets at beginning of year	\$ 12,514	\$ 11,610
Investment return		
Investment income	325	161
Other activity		
Contributions	773	689
Expenses	(23)	(36)
Change in trust	76	36
Transfers	(10)	54
Endowment net assets at end of year	<u>\$ 13,655</u>	<u>\$ 12,514</u>

Children's Hospital Medical Center of Akron and Affiliates

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Endowments (continued)

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 UPMIFA requires Children's to retain as a fund of perpetual duration. There are no such deficiencies as of December 31, 2013 and 2012.

11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2013</u>	<u>2012</u>
Professional education	\$ 25,067	\$ 21,728
Purchase of property and equipment	25,994	15,700
Indigent care	2,063	1,662
Health care services	1,026	95
	<u>\$ 54,150</u>	<u>\$ 39,185</u>

12. Functional Expenses

Children's provides health care services. Expenses related to these functions are as follows for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 528,562	\$ 495,534
General and administrative	53,215	60,515
	<u>\$ 581,777</u>	<u>\$ 556,049</u>

13. Subsequent Events

Children's has evaluated subsequent events through April 17, 2014, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the consolidated financial statements.

Supplementary Information



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Report of Independent Auditors on Supplementary Information

The Board of Directors
Children's Hospital Medical Center of Akron

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following consolidating balance sheet and statements of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

April 17, 2014

Children's Hospital Medical Center of Akron and Affiliates

Consolidating Balance Sheet

December 31, 2013

(In Thousands)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ 37,801	\$ -	\$ -	\$ -	\$ -	\$ 37,801
Patient accounts receivable	91,405	-	1370	-	-	92,841
Allowance for uncollectible accounts	(12,210)	-	(140)	-	-	(12,350)
Net patient accounts receivable	79,240	-	1,230	-	-	80,485
Other receivables	20,104	2,550	-	370	(7,370)	22,720
Due from affiliates	746	-	-	-	(746)	-
Current portion of assets limited as to use	505	-	-	-	-	505
Intentional	6,340	-	110	-	-	6,450
Prepaid expenses and other current assets	5,335	142	27	403	(407)	5,500
Total current assets	150,000	2,698	1,370	843	(15,220)	153,090
Board-designated investments						
Depreciation fund	330,487	-	-	-	-	330,487
Unrestricted Foundation investments	-	50,882	-	-	-	50,882
Other investments	10,198	-	-	-	-	10,198
Total board-designated investments	340,685	50,882	-	-	-	403,567
Assets limited as to use						
Bond project fund	73,037	-	-	-	-	73,037
Self-insurance funds	-	-	-	5,002	-	5,002
Temporarily and permanently restricted investments	-	50,877	-	-	-	50,877
Total assets limited as to use	73,037	50,877	-	5,002	-	200,470
Beneficial interest in Foundation	121,401	-	-	-	(121,401)	-
Beneficial interest in charitable remainder and perpetual trusts	-	9,121	-	-	-	9,121
Property, plant, and equipment						
Land and improvements	14,024	-	-	-	-	14,024
Buildings	335,734	65	-	-	-	335,799
Capitalized software	50,000	-	-	-	-	50,000
Equipment	200,303	533	700	-	-	201,035
Less accumulated depreciation	607,801	598	700	-	-	609,258
Construction-in-progress	382,385	406	733	-	-	383,524
Total property, plant, and equipment net	225,470	192	600	-	-	226,262
Other assets	55,803	-	-	-	-	55,803
Total assets	281,360	192	600	-	-	282,152
Liabilities and equity						
Deferred financing cost net	2,414	-	-	-	-	2,414
Pledges	-	3,000	-	-	-	3,000
Other assets	8,705	-	-	-	(2,150)	6,555
Total other assets	11,200	3,000	-	-	(2,150)	12,050
Total liabilities and equity	991,300	123,430	1,445	83,805	(138,800)	1,061,280

Children's Hospital Medical Center of Akron and Affiliates
Consolidating Balance Sheet (continued)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Liabilities and net assets						
Current liabilities						
Accounts payable	\$ 17,056	\$ -	\$ 10	\$ 80	\$ (3,404)	\$ 13,742
Accrued compensation and related liability	35,309	-	201	-	-	35,510
Due to affiliates	-	668	6,740	38	(7,446)	-
Accrued expenses	22,096	-	-	-	-	22,096
Estimated third-party payor liabilities	18,089	-	-	-	-	18,089
Current portion of long-term debt	4,020	-	-	-	-	4,020
Total current liability	96,570	668	6,951	118	(10,850)	93,457
Long-term debt	224,231	-	-	-	-	224,231
Other long-term liabilities						
Reserve for professional and general liability						
Accrued pension cost	2,282	-	-	45,350	(43,700)	43,253
Accrued postretirement benefit obligations and deferred compensation plan	74,178	-	-	-	-	74,178
Other long-term liability	20,583	-	-	-	-	20,583
Total other long-term liabilities	30,873	1,370	-	-	-	32,243
Total liability	127,470	1,370	-	45,350	(43,700)	170,260
	448,721	2,038	6,951	45,468	(15,229)	487,949
Net assets						
Unrestricted	476,691	56,458	(5,506)	38,337	(58,608)	507,372
Temporarily restricted	54,150	53,205	-	-	(53,205)	54,150
Permanently restricted	11,738	11,738	-	-	(11,738)	11,738
Total net assets	542,579	121,401	(5,506)	38,337	(123,551)	573,260
Total liabilities and net asset	\$ 991,300	\$ 123,470	\$ 1,445	\$ 83,805	\$ (138,780)	\$ 1,061,209

Children's Hospital Medical Center of Akron and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended December 31, 2013

(In Thousands)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Unrestricted revenue, gains, and other support						
Patient service revenue						
Inpatient	\$ 458,829	\$ -	\$ -	\$ -	\$ -	\$ 458,829
Outpatient	436,761	-	13,305	-	-	450,066
Professional fees	154,600	-	-	-	-	154,600
Total patient service revenue	1,050,190	-	13,305	-	-	1,063,495
Provision for contract adjustments - facility fee	394,744	-	4,145	-	-	398,889
Provision for contract adjustments - professional fee	88,007	-	-	-	-	88,007
Provision for charity program	8,838	-	-	-	-	8,838
Total contract adjustments and charity program	491,589	-	4,145	-	-	495,734
Patient service revenue net of contract adjustment and charity program	558,601	-	9,160	-	-	567,761
Less: provision for uncollectible accounts	15,862	-	138	-	-	16,000
Net patient service revenue less provision for uncollectible accounts	542,739	-	9,022	-	-	551,761
Premiums earned	-	-	-	9,622	(9,622)	-
Hospital Care Assurance Program	11,484	-	-	-	-	11,484
Supplemental Medicaid reimbursement	12,414	-	-	-	-	12,414
Children's Hospital Graduate Medical Education Program	2,770	-	-	-	-	2,770
Medicaid Electronic Health Record Incentive	3,662	-	-	-	-	3,662
Medicaid Physician Enhanced Reimbursement	8,013	-	-	-	-	8,013
Other revenue	20,051	57	327	-	(202)	20,233
Research, development and contracted education	4,370	-	-	-	-	4,370
Contributions for Hospital support	5,696	-	-	-	(5,696)	-
	68,460	57	327	-	(5,898)	62,946
Contributions	-	5,529	-	-	-	5,529
Net assets released from restrictions for operations	-	3,047	-	-	-	3,047
Total unrestricted revenue, gains, and other support	611,199	8,633	9,349	9,622	(15,520)	623,283
Expenses						
Salaries and wages - nonphysicians	200,255	1,489	3,977	-	-	205,721
Salaries and wages - physicians	81,143	-	-	-	-	81,143
Salaries and wages - intern and resident education	8,340	-	-	-	-	8,340
Employee benefits	81,804	444	1,241	-	-	83,489
Supplies	58,960	163	4,748	-	-	63,871

Children's Hospital Medical Center of Akron and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Expenses (continued)						
Purchased services	\$ 43,630	\$ 735	\$ 83	\$ 118	\$ (145)	\$ 44,421
Facility	29,471	169	144	—	—	29,727
Insurance	11,186	—	50	(1,165)	(9,622)	449
General expenses	10,223	157	537	68	—	10,985
Depreciation and amortization	37,112	53	37	—	—	37,202
Interest	4,579	—	—	—	—	4,579
HC AP assessment	2,813	—	—	—	—	2,813
Hospital franchise fee	9,037	—	—	—	—	9,037
Contributions for Hospital support	—	5,696	—	—	(5,696)	—
Total expenses	578,553	8,906	10,817	(979)	(15,520)	581,777
Income (loss) from operations	32,646	(273)	(1,468)	10,601	—	41,506
Nonoperating gains (losses)						
Investment gains, net	21,232	9,933	—	8,734	—	39,899
Loss on early extinguishment of debt	(506)	—	—	—	—	(506)
Community support	30	(8)	—	—	—	22
Total nonoperating gains, net	20,756	9,925	—	8,734	—	39,415
Excess (deficiency) of revenue over expenses, before Foundation income	53,402	9,652	(1,468)	19,335	—	80,921
Foundation income	9,652	—	—	—	(9,652)	—
Excess (deficiency) of revenue over expenses	63,054	9,652	(1,468)	19,335	(9,652)	80,921
Other changes in net assets – restricted funds						
Gifts, grants, and bequests	—	11,691	—	—	—	11,691
Investment income	—	6,520	—	—	—	6,520
Contribution and change in beneficial interest in charitable remainder and perpetual trusts	—	668	—	—	—	668
Change in interest in Foundation	15,477	—	—	—	(15,477)	—
Government funding of capital equipment	92	—	—	—	—	92
Net asset transfers or net assets released from restrictions	—	(3,047)	—	—	—	(3,047)
For operations	340	(340)	—	—	—	—
For capital purposes	15	(15)	—	—	—	—
Fund transfer	946	—	—	—	—	946
Change in Hemophilia Treatment Center	66,375	—	—	—	—	66,375
Change in pension plan obligation	1,593	—	—	—	—	1,593
Change in postretirement obligation	147,892	25,129	(1,468)	19,335	(25,129)	165,759
Increase (decrease) in net assets	394,687	96,272	(4,038)	19,002	(98,422)	407,501
Net assets at January 1, 2013	\$ 542,579	\$ 121,401	\$ (5,506)	\$ 38,337	\$ (123,551)	\$ 573,260

Children's Hospital Medical Center of Akron and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended December 31, 2012
(In Thousands)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Unrestricted revenue, gains, and other support						
Patient service revenue						
Inpatient	\$ 425,874	\$ -	\$ -	\$ -	\$ -	\$ 425,874
Outpatient	409,900	-	13,311	-	-	423,211
Professional fees	154,163	-	-	-	-	154,163
Total patient service revenue	989,937	-	13,311	-	-	1,003,248
Provision for contract adjustments – facility fee	367,491	-	4,279	-	-	371,770
Provision for contract adjustments – professional fee	93,431	-	-	-	-	93,431
Provision for charity program	9,935	-	-	-	-	9,935
Total contract adjustments and charity program	470,857	-	4,279	-	-	475,136
Patient service revenue net of contract adjustment and charity program	519,080	-	9,032	-	-	528,112
Less: provision for uncollectible accounts	9,689	-	156	-	-	9,845
Net patient service revenue less provision for uncollectible accounts	509,391	-	8,876	-	-	518,267
Premiums earned	-	-	-	9,083	(9,083)	-
Hospital Care Assurance Program	10,482	-	-	-	-	10,482
Supplemental Medicaid reimbursement	12,870	-	-	-	-	12,870
Children's Hospital Graduate Medical Education Program	2,836	-	-	-	-	2,836
Medicaid Electronic Health Record Incentive	3,298	-	-	-	-	3,298
Other revenue	21,337	45	300	-	(251)	21,431
Research, development, and contracted education	3,052	-	-	-	-	3,052
Contributions for Hospital support	5,419	-	-	-	(5,419)	-
	59,294	45	300	-	(5,670)	53,969
Contributions	-	4,598	-	-	-	4,598
Net assets released from restrictions for operations	-	2,814	-	-	-	2,814
Total unrestricted revenue, gains, and other support	568,685	7,457	9,176	9,083	(14,753)	579,648
Expenses						
Salaries and wages – nonphysicians	189,119	1,430	3,962	-	-	194,511
Salaries and wages – physicians	75,469	-	-	-	-	75,469
Salaries and wages – intern and resident education	7,072	-	-	-	-	7,072
Employee benefits	74,040	350	1,013	-	-	75,403
Supplies	55,245	149	4,531	-	-	59,925

Children's Hospital Medical Center of Akron and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (continued)

	Children's Hospital Medical Center of Akron	Akron Children's Hospital Foundation	Children's Home Care Group	Child Dimensions Insurance Company	Eliminations	Consolidated
Expenses (continued)						
Purchased services	\$ 43,397	\$ 619	\$ 70	\$ 129	\$ (128)	\$ 44,087
Facility	27,820	168	224	—	(123)	28,089
Insurance	10,773	—	50	8,523	(9,083)	10,263
General expenses	8,869	181	551	71	—	9,672
Depreciation and amortization	35,782	52	40	—	—	35,874
Interest	4,706	—	—	—	—	4,706
HCAP assessment	2,512	—	—	—	—	2,512
Hospital franchise fee	8,466	—	—	—	—	8,466
Contributions for Hospital support	—	5,419	—	—	(5,419)	—
Total expenses	513,270	8,368	10,441	8,723	(14,753)	556,049
Income (loss) from operations	25,415	(911)	(1,265)	360	—	23,599
Nonoperating gains (losses)						
Investment gains, net	16,358	6,301	—	6,968	—	29,627
Loss on early extinguishment of debt	(3,964)	—	—	—	—	(3,964)
Community support	(2,331)	(6)	—	—	—	(2,337)
Total nonoperating gains, net	10,063	6,295	—	6,968	—	23,326
Excess (deficiency) of revenue over expenses, before Foundation income	35,478	5,384	(1,265)	7,328	—	46,925
Foundation income	5,384	—	—	—	(5,384)	—
Excess (deficiency) of revenue over expenses	40,862	5,384	(1,265)	7,328	(5,384)	46,925
Other changes in net assets – restricted funds						
Gifts, grants and bequests	—	6,064	—	—	—	6,064
Investment income	—	2,905	—	—	—	2,905
Contribution and change in beneficial interest in charitable remainder and perpetual trusts	—	314	—	—	—	314
Change in interest in Foundation	5,084	—	—	—	(5,084)	—
Government funding of capital equipment	20	—	—	—	—	20
Net asset transfers or net assets released from restrictions	—	(2,814)	—	—	—	(2,814)
For operations	1,021	(1,021)	—	—	—	—
For capital purposes	20,364	(364)	—	(20,000)	—	—
Fund transfer	(17,694)	—	—	—	—	(17,694)
Change in pension plan obligation	15,880	—	—	—	—	15,880
Change in post-retirement obligation	65,537	10,468	(1,265)	(12,672)	(10,468)	51,600
Increase (decrease) in net assets	329,150	85,804	(2,773)	31,674	(87,954)	355,901
Net assets at January 1, 2012	\$ 394,687	\$ 96,272	\$ (4,038)	\$ 19,002	\$ (98,423)	\$ 407,501
Net assets at December 31, 2012						

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