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Form 990



Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

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

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

THE NEMOURS FOUNDATION

Doing Business As

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

10140 Centurion Parkway North

City or town, state or province, country, and ZIP or foreign postal code

Jacksonville, FL 32256

F Name and address of principal officer

David Bailey

10140 Centurion Parkway North

Jacksonville, FL 32256

D Employer identification number

59-0634433

E Telephone number

(904) 697-4100

G Gross receipts \$ 1,319,129,465

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) ( ) ☐ (insert no ) ☐ 4947(a)(1) or ☐ 527

J Website:

www.nemours.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1936

M State of legal domicile FL

Part I	Summary																																										
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>Nemours mission is to provide leadership, institutions, and services to restore and improve the health of children through care and programs not readily available, with one high standard of quality and distinction regardless of the recipient's financial status</div></div>																																										
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																										
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>13</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>13</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>6,449</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>1,176</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>-3,154,232</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	13	4	Number of independent voting members of the governing body (Part VI, line 1b)	13	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	6,449	6	Total number of volunteers (estimate if necessary)	1,176	7a	Total unrelated business revenue from Part VIII, column (C), line 12	-3,154,232	7b	Net unrelated business taxable income from Form 990-T, line 34	0																								
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Part II

Signature Block

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

Sign Here

Signature of officer

Date

Rodney A McKendree Senior Vice President and CFO

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

Laura Collins CPA

Preparer's signature

Date

2014-11-12

Check ☐ if self-employed

PTIN P00008888

Firm's name

KPMG LLP

Firm's EIN

13-5565207

Firm's address

300 North Greene Street Suite 400

Greensboro, NC 27401

Phone no

(336) 275-3394

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

Nemours mission is to provide leadership, institutions, and services to restore and improve the health of children through care and programs not readily available, with one high standard of quality and distinction regardless of the recipient's financial status

2

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

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?

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 \$ 738,157,158 including grants of \$ 1,060,301 ) (Revenue \$ 808,904,650 )

See Schedule H, Part VI

4b

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

4c

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

4d














Other program services (Describe in Schedule O )

(Expenses \$ 0 including grants of \$ 0 ) (Revenue \$ 0 )

4e

Total program service expenses 738,157,158

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 <b>Section 501(c)(3) organizations.</b> 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 Yes	
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 Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV 	14b 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	Yes	
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
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	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.	1a	600		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	6,449		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b	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)?	4a	Yes		
b	If "Yes," enter the name of the foreign country: <span>CJ</span> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No	
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	Yes		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	Yes		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	Yes		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	<b>Sponsoring organizations maintaining donor advised funds.</b>				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	<b>Section 501(c)(7) organizations.</b> Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11	<b>Section 501(c)(12) organizations.</b> Enter				
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>				
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b			
c	Enter the amount of reserves on hand.	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b			

Part VI

Governance, Management, and Disclosure

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

Check if Schedule O contains a response 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 . . . . .	13	
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			
1b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	13	
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
7b	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		
8a	The governing body? . . . . .	8a	Yes
8b	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
10b	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	Yes
11b	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
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	12c	Yes
13	Did the organization have a written whistleblower policy? . . . . .	13	Yes
14	Did the organization have a written document retention and destruction policy? . . . . .	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes
15b	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
16b	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	AL , DC , DE , FL , GA , MD , NJ , NY , PA , VA
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 Rodney McKendree Sr VP and CFO   10140 Centurion Parkway North Jacksonville,FL   32256   (904) 697-4100	

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

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	▼			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	▼			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	▼	24,937,226	697,922	1,791,614

**2** Total number of individuals (including but not limited to those listed \$100,000 of reportable compensation from the organization) 1,084

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

## Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
SKANSKA USA BUILDING INC 4030 BOY SCOUT BOULEVARD TAMPA FL 33607	BUILDING AND CONSTRUCTION	100,844,628
SODEXHO INC AND AFFILIATES PO BOX 905374 CHARLOTTE NC 282905374	FACILITIES MANAGEMENT	12,746,574
THOMAS JEFFERSON UNIVERSITY 1025 WALNUT STREET PHILADELPHIA PA 19107	RESIDENCY PROGRAM EXPENSES	5,525,548
JOAN WELLMAN AND ASSOCIATES INC 7426 SE 27TH STREET MERCER ISLAND WA 98040	PROCESS IMPROVEMENT	4,352,589
INTERNATIONAL MANAGEMENT CONSULTANTS INC 3 GREAT VALLY PARKWAY MALVERN PA 19355	BUILDING AND CONSTRUCTION	4,239,729

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►162

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	0				
	b	Membership dues . . . . .	1b	0				
	c	Fundraising events . . . . .	1c	1,212,046				
	d	Related organizations . . . . .	1d	133,130,898				
	e	Government grants (contributions)	1e	0				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,857,201				
	g	Noncash contributions included in lines 1a-1f \$		175,957				
	h	Total. Add lines 1a-1f . . . . .						140,200,145
Program Service Revenue			Business Code					
	2a	Net patient service revenue	900099	758,281,791	758,281,791	0	0	
	b	Net research grants	900099	17,428,092	17,428,092	0	0	
	c	Electronic health record revenue	900099	5,881,859	5,881,859	0	0	
	d							
	e							
	f	All other program service revenue		0	0	0	0	
	g	Total. Add lines 2a-2f . . . . .			781,591,742			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		11,874,543	0	-3,154,232	15,028,775	
	4	Income from investment of tax-exempt bond proceeds . . . . .		0	0	0	0	
	5	Royalties . . . . .		619,436	0	0	619,436	
	6a	(i) Real						
		(ii) Personal						
	b	Gross rents	481,012	0				
	b	Less rental expenses	143,885	0				
	c	Rental income or (loss)	337,127	0				
	d	Net rental income or (loss) . . . . .		337,127	0	0	337,127	
	7a	(i) Securities						
		(ii) Other						
	b	Gross amount from sales of assets other than inventory	356,675,649	0				
	b	Less cost or other basis and sales expenses	332,092,738	0				
	c	Gain or (loss)	24,582,911	0				
	d	Net gain or (loss) . . . . .		24,582,911	0	0	24,582,911	
	8a	Gross income from fundraising events (not including \$ 1,212,046 of contributions reported on line 1c) See Part IV, line 18 . . . . .		-246,358		0	-246,358	
	a							
	b							
	b	Less direct expenses . . . . .	620,388					
	c	Net income or (loss) from fundraising events . . . . .						
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .		0	0	0	0	
	a							
	b							
	b	Less direct expenses . . . . .	0					
	c	Net income or (loss) from gaming activities . . . . .						
	10a	Gross sales of inventory, less returns and allowances . . . . .		0	0	0	0	
	a							
	b							
	b	Less cost of goods sold . . . . .	0					
	c	Net income or (loss) from sales of inventory . . . . .						
	Miscellaneous Revenue			Business Code				
	11a	Specialized services	900099	17,812,511	17,812,511	0	0	
b	Graduate medical education funding	900099	3,313,797	3,313,797	0	0		
c	Kidshealth.org licensing fee	900099	1,775,118	1,775,118	0	0		
d	All other revenue . . . . .		4,411,482	4,411,482	0	0		
e	Total. Add lines 11a-11d . . . . .			27,312,908				
12	Total revenue. See Instructions . . . . .			986,272,454	808,904,650	-3,154,232	40,321,891	

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.	774,531	774,531		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	285,770	285,770		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0	0		
4	Benefits paid to or for members.	0	0		
5	Compensation of current officers, directors, trustees, and key employees.	20,556,198	0	20,556,198	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	489,544	0	489,544	0
7	Other salaries and wages.	447,440,440	351,455,147	94,201,228	1,784,065
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	49,561,369	39,350,858	10,060,226	150,285
9	Other employee benefits.	61,301,448	48,652,662	12,409,085	239,701
10	Payroll taxes.	28,713,162	22,798,793	5,797,187	117,182
11	Fees for services (non-employees):				
a	Management.	0	0	0	0
b	Legal.	2,659,011	1,405,935	1,246,012	7,064
c	Accounting.	470,283	249,908	220,375	0
d	Lobbying.	260,001	0	260,001	0
e	Professional fundraising services. See Part IV, line 17.	0			0
f	Investment management fees.	1,284,269	682,460	601,809	0
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	51,628,703	35,831,207	15,704,264	93,232
12	Advertising and promotion.	5,018,832	3,417,982	1,599,000	1,850
13	Office expenses.	96,393,950	84,524,988	11,702,460	166,502
14	Information technology.	15,962,130	7,653,107	8,284,399	24,624
15	Royalties.	0	0	0	0
16	Occupancy.	36,375,201	25,764,850	10,577,960	32,391
17	Travel.	5,352,884	3,562,476	1,719,086	71,322
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0	0	0	0
19	Conferences, conventions, and meetings.	1,543,492	1,002,867	493,948	46,677
20	Interest.	9,488,466	9,488,466	0	0
21	Payments to affiliates.	0	0	0	0
22	Depreciation, depletion, and amortization.	59,578,423	40,755,034	18,719,540	103,849
23	Insurance.	22,335,299	21,773,739	560,616	944
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	Provision for bad debts.	32,155,497	32,155,497	0	0
b	Subscription (mags &db), books.	3,213,374	2,945,729	261,890	5,755
c	Maintenance contracts - miscellaneous.	3,129,801	969,299	2,160,502	0
d	Repairs and maintenance.	2,842,413	878,645	1,962,118	1,650
e	All other expenses.	2,932,532	1,777,208	1,133,361	21,963
25	<b>Total functional expenses.</b> Add lines 1 through 24e.	961,747,023	738,157,158	220,720,809	2,869,056
26	<b>Joint costs.</b> 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		86,182,077	1	69,949,219
	2	Savings and temporary cash investments		50,053,008	2	57,732,617
	3	Pledges and grants receivable, net		3,309,142	3	10,496,187
	4	Accounts receivable, net		89,871,864	4	89,854,885
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		3,953,450	8	4,173,161
	9	Prepaid expenses and deferred charges		7,500,638	9	9,488,888
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a1,390,479,891			
	b	Less: accumulated depreciation	10b481,611,313	808,106,922	10c	908,868,578
	11	Investments—publicly traded securities		511,789,197	11	464,305,842
	12	Investments—other securities. See Part IV, line 11.		122,029,744	12	100,325,823
	13	Investments—program-related. See Part IV, line 11.		0	13	0
	14	Intangible assets		1,502,568	14	1,500,568
	15	Other assets. See Part IV, line 11.		10,980,762	15	7,502,689
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34).		1,695,279,372	16	1,724,198,457
Liabilities	17	Accounts payable and accrued expenses		109,032,443	17	126,644,492
	18	Grants payable		0	18	0
	19	Deferred revenue		2,078,680	19	4,098,001
	20	Tax-exempt bond liabilities		367,369,215	20	359,719,400
	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.		260,839,774	25	134,008,767
	26	<b>Total liabilities.</b> Add lines 17 through 25.		739,320,112	26	624,470,660
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets		673,210,235	27	836,283,284
	28	Temporarily restricted net assets		276,915,981	28	257,371,591
	29	Permanently restricted net assets		5,833,044	29	6,072,922
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	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	<b>Total net assets or fund balances</b>		955,959,260	33	1,099,727,797
	34	<b>Total liabilities and net assets/fund balances</b>		1,695,279,372	34	1,724,198,457

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	986,272,454
2	Total expenses (must equal Part IX, column (A), line 25)	2	961,747,023
3	Revenue less expenses Subtract line 2 from line 1	3	24,525,431
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	955,959,260
5	Net unrealized gains (losses) on investments	5	5,218,338
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	114,024,768
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,099,727,797

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:** 13000241  
**Software Version:** v1.00  
**EIN:** 59-0634433  
**Name:** THE NEMOURS FOUNDATION

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

(A) Name and Title	(B) Average hours per week (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			
Brian P Anderson Director	2.5	X						44,625	0	0
Hugh M Durden Director	10.25	X						0	150,454	0
J Michael McGinnis Director	2.5	X						44,625	0	0
John F Porter Director	14.5	X						0	119,712	0
John S Lord Chairman and Director	25	X						0	149,611	0
Leonard Berry PhD Director	2.5	X						41,475	0	0
Richard Christopher Director	15	X						54,625	0	0
Robert Riney Director	2.5	X						33,075	0	0
Rosa Hakala Director	2.5	X						45,675	0	0
Terri L Kelly Director	3	X						58,275	0	0
Toni Jennings Director	5	X						65,650	0	0
W L Thornton Director	4	X						0	129,771	0
W T Thompson Director	4	X						0	148,374	0
R J Cummings MD VP Physician Practices-FL	40			X				776,999	0	17,362
Diane C Goin Secretary to the President CEO	40			X				66,552	0	12,611
Roy Proujansky EVP Chief Exec DE Operations	40			X				784,532	0	69,661
Stephen Lawless VP Quality & Safety	40			X				538,774	0	43,438
Gina Altieri VP Corporate Services	40			X				391,894	0	58,897
David J Bailey MD President/CEO	40			X				1,231,190	0	142,951
Robert D Bridges EVP Chief Exec FL Operations and CFO	40			X				671,364	0	189,786
Rodney A McKendree VP, Finance	2.1			X				311,119	0	65,162
Theresa M Young Sr VP Human Resources	40			X				368,126	0	14,658
Steven R Sparks Sr VP General Counsel	40			X				380,255	0	80,319
Deborah Chang VP Policy & Prevention	40			X				296,934	0	65,829
Roger A Oxendale Sr VP & Chief Exec Officer, NCH	40			X				637,646	0	23,273

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

[illegible]

**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			
Mary B Mehta MD Medical Director, NCCP	40				X			342,207	0	23,647
Suken A Shah MD Dept of Orthopaedics, Surgeon, AIDHC	40					X		727,068	0	23,675
Todd A Maugans MD Dept of Neurosurgery, Division Chief, NCH	40					X		807,650	0	27,056
Robert C Burns MD Dept of Surgery, Division Chief, NCH	40					X		608,030	0	37,357
Nicholas Poulos MD Dept of Surgery, Physician, NCCJ	40					X		547,308	0	35,731
Daniel K Robie MD Dept of Surgery, Division Chief, NCCJ	40					X		571,013	0	16,732
Kevin Churchwell MD Sr VP, Nemours & CEO, AIDHC	40						X	489,544	0	28,039
James S Reilly Dept of Otolaryngology/ENT Chair, AIDHC	40						X	399,043	0	16,648
Judith E Wall MD Medical Director, NCH	40 5						X	347,824	0	16,801
Leslie Grissom Dept of Radiology, Radiologist, AIDHC	40						X	486,519	0	18,075
William B Blanchard MD Dept of Cardiology, Physician, NCCP	40						X	202,516	0	8,212
Kenneth Liechty MD Dept of Surgery Chair, NCH	40						X	718,980	0	38,823



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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization THE NEMOURS FOUNDATION	Employer identification number 59-0634433
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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 )

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11g(i)

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11g(ii)

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11g(iii)

☐

Yes

No

(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	
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SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.** ▶ **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 THE NEMOURS FOUNDATION	Employer identification number  59-0634433
--	--

**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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)		2,000													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		429,429													
c Total lobbying expenditures (add lines 1a and 1b)		431,429													
d Other exempt purpose expenditures		961,315,594													
e Total exempt purpose expenditures (add lines 1c and 1d)		961,747,023													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000													
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000													
h Subtract line 1g from line 1a If zero or less, enter -0-		0													
i Subtract line 1f from line 1c If zero or less, enter -0-		0													
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	310,156	479,339	439,812	431,429	1,660,736
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	2,000	2,000	3,881	2,000	9,881

Part II-B

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

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

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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
Schedule C, Part II-A, Line 1a	Nemours is not affiliated with any groups and did not exceed either the lobbying or grass roots expenditure ceiling.

## Part IV

## Return Reference

### Explanation



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](http://www.irs.gov/form990).

Name of the organization THE NEMOURS FOUNDATION	Employer identification number  59-0634433
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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

▶ \$ 0

(ii)

Assets included in Form 990, Part X

▶ \$ 3,386,733

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

▶ \$ 0

b

Assets included in Form 990, Part X

▶ \$ 0

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

	Amount
c Beginning balance	
d Additions during the year	
e Distributions during the year	
f Ending balance	
- 2a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part 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	279,439,880	384,535,863	392,975,995	367,585,658	332,209,589
b Contributions	5,135,534	8,086,876	4,406,956	2,176,291	3,615,644
c Net investment earnings, gains, and losses	31,381,744	29,080,079	-581,412	37,275,018	46,910,682
d Grants or scholarships	0	0	0	0	0
e Other expenditures for facilities and programs	57,205,064	142,011,164	11,968,151	13,764,709	15,034,448
f Administrative expenses	272,543	251,774	297,525	296,263	115,809
g End of year balance	258,479,551	279,439,880	384,535,863	392,975,995	367,585,658

- 2

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

Board designated or quasi-endowment

0 %
- b

Permanent endowment

1 %
- c

Temporarily restricted endowment

99 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	
- 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	106,095	94,575,676		94,681,771
b Buildings	0	635,738,235	217,401,152	418,337,083
c Leasehold improvements	0	20,047,624	12,139,240	7,908,384
d Equipment	0	445,696,910	252,070,921	193,625,989
e Other	0	194,315,351	0	194,315,351
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				908,868,578



**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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	981,983,019
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12	<b>2e</b>	25,897,021
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	-1,939,168
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	0
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	0
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	27,836,189
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	25,897,021
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	956,085,998
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>	<b>4c</b>	30,186,456
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	0
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	30,186,456
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	30,186,456
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	986,272,454

**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.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	938,485,897
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25	<b>2e</b>	-23,053,450
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	0
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	0
<b>c</b>	Other losses . . . . .	<b>2c</b>	0
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	-23,053,450
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	-23,053,450
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	961,539,347
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :	<b>4c</b>	207,676
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	0
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	207,676
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	207,676
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	961,747,023

**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
Schedule D, Part III, Line 4	The Nemours mansion is the 300-acre country estate of the late industrialist and philanthropist Alfred I. DuPont. The mansion is located on the grounds of the renowned Alfred I. DuPont Hospital for Children in Wilmington, Delaware. It derives its name from the town in France represented by Mr. DuPont's great-great-grandfather, Pierre Samuel DuPont de Nemours. The mansion was built from 1909 to 1910 and is a fine example of a French chateau in the style of Louis XVI. The 47,000 sq. ft. mansion looms over the surrounding formal gardens and is furnished with fine antiques, famous works of art, beautiful tapestries, and other treasures. The grounds surrounding the mansion extend for one third of a mile along the main vista from the house, and are among the finest examples of French-style gardens in the United States. The mansion and gardens are open for tours between May and December. Tour groups are kept small and include expert commentary by guides familiar with the DuPont family history.
Schedule D, Part V, Line 4	Nemours' endowments have been established for a variety of purposes including ophthalmology, orthopaedic, dental and research.
Schedule D, Part X, Line 2	Nemours is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and is also exempt from state income taxes. Management believes that the unrelated business income generated by Nemours is not material to the combined financial statements.
Schedule D, Part XI, Line 2d	Reconciliation of Revenue per Audited Financial Statements With Revenue per Return: Net assets - released from restriction - Ed Ball \$7,830,707 plus net assets released from restriction - donations \$1,025,608 plus special distributions \$45,000,000 plus PMSI (subsidiary) net patient revenue \$6,527,796 less Bad debt expense (\$32,547,922) equals \$27,836,189.
Schedule D, Part XI, Line 4b	Reconciliation of Revenue per Audited Financial Statements With Revenue per Return - Temp restricted contributions and pledges \$6,791,352 plus temp restricted investment income \$2,461,307 plus temp restricted realized gains \$21,698,070 less rental expenses (\$143,885) less fundraising expenses (\$620,388) equals \$30,186,456.
Schedule D, Part XII, Line 2d	Reconciliation of Expenses per Audited Financial Statements With Expenses per Return - Bad debt expense (\$32,547,922) plus rental expenses \$143,885 plus fundraising expenses \$620,388 plus PMSI (subsidiary) operating expenses \$8,730,199 equals (\$23,053,450).
Schedule D, Part XII, Line 4b	Reconciliation of Expenses per Audited Financial Statements With Expenses per Return - Temp restricted investment expenses \$206,490 plus temp restricted occupancy expenses \$1,186 equals \$207,676.

[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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number

59-0634433

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 Activites 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) See Add'l Data					
( 2)					
( 3)					
( 4)					
( 5)					
3a Sub-total					
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	0	0			24,467,124

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: 13000241  
Software Version: v1.00  
EIN: 59-0634433  
Name: THE NEMOURS FOUNDATION

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).

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, 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 region
East Asia and the Pacific	0	0	Investments	N/A	6,855,169
Europe (including Iceland and Greenland)	0	0	Investments	N/A	11,507,170
Middle East and North Africa	0	0	Investments	N/A	399,766

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, 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 region
North America (including Canada and Mexico, but not the United States)	0	0	Investments	N/A	1,882,690
Russia and the newly independent States	0	0	Investments	N/A	435,439
South America	0	0	Investments	N/A	2,120,124

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, 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 region
South Asia	0	0	Investments	N/A	667,327
Sub-Saharan Africa	0	0	Investments	N/A	599,439

SCHEDULE G  
(Form 990 or 990-EZ)

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number  
  
59-0634433

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		
		<u>Delaware Gala</u>	<u>Orlando Gala</u>	<u>8</u>	(add col (a) through		
		(event type)	(event type)	(total number)	col (c))		
	1	Gross receipts . . . .	460,725	325,351	800,000	1,586,076	
	2	Less Contributions . . . .	298,425	232,831	680,790	1,212,046	
3	Gross income (line 1 minus line 2) . . . .	162,300	92,520	119,210	374,030		
Direct Expenses	4	Cash prizes . . . .	0	0	0	0	
	5	Noncash prizes . . . .	0	0	0	0	
	6	Rent/facility costs . . . .	109,035	50,788	5,851	165,674	
	7	Food and beverages . . . .	99,014	6,202	35,972	141,188	
	8	Entertainment . . . .	6,738	12,500	146,607	165,845	
	9	Other direct expenses . . . .	27,043	46,707	73,931	147,681	
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶					(620,388)
	11	Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶					-246,358

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
Direct Expenses	6	Volunteer labor . . . . .			
	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



<b>13</b> Indicate the percentage of gaming activity operated in							
<b>a</b> The organization's facility	<table><tr><td><b>13a</b></td><td>%</td></tr><tr><td><b>b</b> An outside facility</td><td><table><tr><td><b>13b</b></td><td>%</td></tr></table></td></tr></table>	<b>13a</b>	%	<b>b</b> An outside facility	<table><tr><td><b>13b</b></td><td>%</td></tr></table>	<b>13b</b>	%
<b>13a</b>	%						
<b>b</b> An outside facility	<table><tr><td><b>13b</b></td><td>%</td></tr></table>	<b>13b</b>	%				
<b>13b</b>	%						

**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  
THE NEMOURS FOUNDATION

Employer identification number  
59-0634433

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 type="checkbox"/> 200% <input checked="" type="checkbox"/> Other _____ 250 %	3a Yes	
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 type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	5a	No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	5b	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	6b Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7

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) . . . .	0	0	41,387,703	18,524,119	22,863,584	2 44 %
b Medicaid (from Worksheet 3, column a) . . . . .	0	0	400,827,254	291,358,002	107,151,382	11 42 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .	0	0	0	0	0	0 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .	0	0	442,214,957	309,882,121	130,014,966	13 86 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .	0	0	32,886,656	7,526,659	25,359,997	2 7 %
f Health professions education (from Worksheet 5) . . . .	0	0	9,452,210	4,416,214	5,035,996	0 54 %
g Subsidized health services (from Worksheet 6) . . . .	0	0	0	0	0	0 %
h Research (from Worksheet 7) . . . . .	0	0	26,808,370	8,789,222	18,019,148	1 92 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . .	0	0	595,419	0	595,419	0 06 %
j <b>Total</b> Other Benefits . . . .	0	0	69,742,655	20,732,095	49,010,560	5 22 %
k <b>Total.</b> Add lines 7d and 7j . .	0	0	511,957,612	330,614,216	179,025,526	19 08 %



Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

2

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

2

13,950,911

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

0

4

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

Section B. Medicare

5

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

5

558,876

6

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

6

809,355

7

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

7

-250,479

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.  
☐ Cost accounting system    ☐ Cost to charge ratio    ☒ Other

Section C. Collection Practices

9a

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

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
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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)

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
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> 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)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <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		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input checked="" type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
<b>3</b> 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	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	<b>4</b>	No
<b>5</b> 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)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.nemours.org/community</u>		
<b>b</b> <input type="checkbox"/> Other website (list url)		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> 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)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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	<b>7</b> Yes	
<b>8a</b> 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)?	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	<b>8b</b>	
<b>c</b> 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 250% 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 400% 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 type="checkbox"/> Medical indigency			
d <input type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input type="checkbox"/> State regulation			
h <input type="checkbox"/> Residency			
i <input 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 type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input 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 checked="" 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? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
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"/>	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		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		

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

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? 42

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
Schedule H, Part I, Line 6a	The Nemours 2013 Report to Our Communities entitled, Making Every Day Better - Our Promise, can be found at <a href="http://www.nemours.org/about/publications.html">www.nemours.org/about/publications.html</a>
Schedule H, Part I, Line 7	Information regarding financial assistance and certain other community benefits at cost is presented below on lines 7a and 7b



Form and Line Reference	Explanation
Schedule H, Part I, Line 7, Column f	Nemours included provision for bad debt (bad debt expense) in Form 990, Part IX, line 24 of \$32,155,497. Such amount was subtracted from total expenses of \$961,747,023 for purposes of determining percent of total expense calculations.
Schedule H, Part I, Line 7a	Nemours calculated the amounts included in Part I, Lines 7a-b utilizing the methodology provided in the various worksheets included in the instructions for Schedule H of Form 990. These worksheets include Worksheet 1, Charity Care at Cost, Worksheet 2, Ratio of Patient Care Cost-to-Charges and Worksheet 3, Unreimbursed Medicaid and Other Means-Tested Government Programs.

Form and Line Reference	Explanation
Schedule H, Part I, Line 7b	<p>Form 990 Part III, Questions 4a, Program Service Accomplishment - Nemours mission is to provide leadership, institutions, and services to restore and improve the health of children through care and programs not readily available, with one high standard of quality and distinction regardless of the recipients financial status. At Nemours, our plan to do that begins before illness or injury with our integrated model of care. We begin with education through the Nemours Center for Childrens Health Media and Kidshealth. Then, add prevention in our communities with the perspective of Nemours Health and Prevention Services and literacy aided by our Brightstart Dyslexia initiative. In the center are health operations, research and education staples of an academic environment providing the right combination of evidence based health services. Two more ingredients enable Nemours to energize this powerful mix innovation and technology. Our model of care has gained definition from our families and experts in the field who sought the ideal combination of services throughout Nemours. The model is family centered and incorporates what we have found to work in guarding the healthy, joyful life experience of a child. Whether hospitalized or visiting for a check up, children and families find a centralized, pleasant reception area where the same nurses, physicians and therapists greet them. Patient families also find advice and can report progress electronically from a remote location. Our eye is on the best health and quality outcomes, measured and monitored according to established benchmarks and satisfaction as reported by the children and families who have helped define the model. Nemours childrens clinic locations provide services at several primary and satellite locations ranging from primary care to sub specialty care in the Delaware Valley, and sub specialty care in Florida. These locations are listed in Schedule H, Part V, and Section D.</p>
Schedule H, Part I, Line 7d	<p>Uncompensated Medical Care - Nemours services classified as charity care or where the recipient could not afford services or lacked adequate health insurance reached \$22.9 million in 2013. Nemours also covers the costs in excess of government payments for services provided to Medicaid and other public health beneficiaries of over \$107.2 million with an additional \$32.9 million in uncollected patient care charges written off by Nemours during the same period. All totaled, uncompensated care for 2013 approximates \$163 million.</p>

Form and Line Reference	Explanation
Schedule H, Part I, Line 7 e	Community Benefit - Nemours is unique among pediatric health care systems, providing treatment, care, health information and prevention services that form a continuum of care aimed at achieving our vision of freedom from disabling conditions. Alfred I. Dupont envisioned a world where all children could receive top notch medical care, especially children disabled in some way. At Nemours, we demonstrate sound stewardship by staying true to Mr. DuPont's vision. In 2013, Nemours cared for more than 300,000 unique patients who experienced nearly 1,100,000 encounters, nearly 660,000 clinic and outpatient visits. Nemours saw approximately 125,000 new patients during 2013. During 2013, Nemours provided care and services totaling more than \$750 million for our communities throughout the Delaware Valley, Florida and beyond.
Schedule H, Part I, Line 7 f	Education and Training of Health Professionals - Nemours continues to train the next generation of pediatric specialists through affiliations with Thomas Jefferson University, the Mayo Clinic Medical College and others. In 2013, Nemours provided training for more than 1,200 nursing students, hosted 659 residents and 699 medical students and provided fellowship rotations for 79 physicians. Nemours supported education and training programs for health professionals in excess of \$5 million.

Form and Line Reference	Explanation
Schedule H, Part I, Line 7h	Research Nemours continues to improve childrens lives through the power of discovery However, new discoveries are not enough We are integrating research findings at the bedside and exam room where it has the greatest impact on children In total, Nemours subsidized health research by over \$18 million during 2013 with nearly 318 research projects under the direction of more than 100 Nemours physician-scientists
Schedule H, Part III, Section A, Line 4	In the Alfred I duPont Hospital for Children and Nemours Childrens Hospital audited financial statements, see footnote 1e located on pages 10 and 32, respectively, for a description of bad debt expense

Form and Line Reference	Explanation
Schedule H, Part III, Section B, Line 8	The entire shortfall related to Medicare reported on line 7 should be considered a community benefit Nemours is bearing the burden of providing care in excess of our costs to those Medicare patients The source of the Medicare allowable costs comes from the 2013 Medicare Cost Reports
Schedule H, Part III, Section C, Line 9b	The Nemours financial assistance policy applies to all of the facilities that it operates Debt collection is not pursued against patients who qualify for the financial assistance program

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2	<p>Nemours assesses the healthcare needs of these communities using various methods. For example, Nemours community relations team is active at all sites to identify specific community needs for children. At Nemours, we seek to understand the health needs of the families who live in the communities we serve. Nemours has clinical operations in communities in Delaware, southeastern Pennsylvania and southern New Jersey referred to as the Delaware Valley, Maryland and Florida. Nemours is committed to improving the health of children, even those who never enter our doors. To do this effectively, Nemours conducts community health needs assessments (CHNAs) then explores potential strategies to influence them. The report can be found at <a href="http://www.nemours.org/community">www.nemours.org/community</a>. The areas of opportunity listed below represent the significant health needs of children and adolescents in the communities our hospitals serve.</p> <p>Areas of opportunity in the Delaware Valley - access to health services, alcohol, tobacco and other drugs, health education, mental and emotional health, nutrition, physical activity and weight, prenatal and infant health, sexual activity.</p> <p>Areas of opportunity in Central Florida - access to health services, health education injury and safety, mental and emotional health, nutrition, physical activity and weight, prenatal and infant health, vision, hearing and speech.</p> <p>Nemours seeks to educate families about children's health and parenting through its Center for Children's Health Media (KidsHealth.org). KidsHealth helps families by enabling parents, kids and teens to better understand and take mastery of their own health. Nemours creates integrated suites of physician reviewed, family-friendly, engaging media that provide families with knowledge, perspective, advice and comfort.</p>
Schedule H, Part VI, Line 3	<p>All of Nemours hospital and clinic locations share the same practice of educating patients and their families in the eligibility process. Information regarding financial assistance can be found on our website at <a href="http://www.nemours.org-patientfamily-payment-financialassistance.html">www.nemours.org-patientfamily-payment-financialassistance.html</a>. Nemours employs financial counselors, as well as engages independent firms, collectively referred to as Financial Counselors, to assist in determining Medicaid eligibility. The Financial Counselors, some of whom are multi-lingual, work with families, educate and assist them with form completion regarding any program for which they might be eligible, including programs in the state of residence. Patients that arrive for an appointment at one of our practices, or admitted to or presents to the emergency room at AIDHC or NCH as self pay are screened for Medicaid eligibility. The Financial Counselors follow up directly with the respective State regarding their decision-determination. Certain Financial Counselors may go to the families home, if necessary. In some instances, certain Financial Counselors will ask for and receive limited power of attorney, in an effort to assist the family with the Medicaid eligibility process. To benefit from Nemours Financial Assistance Program, a family must participate in the Medicaid eligibility process described above. Through that process, Nemours assesses eligibility for our charity care program, which is based on Federal Poverty Guidelines as indicated in Schedule H, Part I, lines 3a and b. Eligibility for the Nemours Financial Assistance Program is completed by the Financial Counselors. Personnel at AIDHC have also established the Family Advisory Council (FAC), a group of parents whose children have had services at AIDHC. The purpose of the FAC is to obtain feedback from families about additional ways Nemours can assist with financial eligibility issues. Nemours representatives have participated in the Robert Wood Johnson Foundation funded Children's Hospital Eligibility Process Improvement Collaborative, an effort about educating providers regarding eligibility best practices. The collaborative touched on topics from literacy and how to write and share a brochure in a way that the family can understand, to assessing what an appropriate staffing level should be. In an effort to perform proactive outreach in the Delaware Valley, Nemours Financial Counselors go to our various locations, as well as local Community Health Center facilities. Both types of places represent a source from which families come to Nemours. Such visits focus on educating families about the various funding sources for which they might be eligible.</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4	<p>The clinical operations of Nemours include two hospitals for children and multiple outpatient clinics. In Wilmington, Delaware, Nemours operates specialty and primary care clinics for children and a health clinic for the elderly. Nemours service area includes 27 counties throughout Delaware, southeastern Pennsylvania, and southern New Jersey. In 2011, an estimated 204,208 children and youth under the age of 18 live in Delaware, (US Census Bureau, 2011) comprising approximately 22.7% of the areas total population. Nationally, an estimated 73,650,025 children and youth under 18 make up 23.8% of the total population (US Census Bureau, 2011). While Americans overall health status has been improving, disparities remain in the prevalence of illness and death experienced by minority populations, as compared to the U.S. population as a whole. These disparities affect children as well as adults. Currently, children and youth population of Delaware is comprised primarily of 61% White and 25.7% African American compared to 68.2% White and 14.3% African American, nationally. (US Census Bureau, 2011). Household income level can have a significant impact on the health status of children living in the household. For example, children living in low-income households may not have adequate health insurance or access to primary care. Overall, a smaller percentage of children and youth in the Delaware (17.5%) live below 100% of the Federal Poverty Level (FPL) when compared to the national rate of children in poverty (22.5%) (US Census Bureau, 2011). Approximately, 63.9% of the areas children and youth live in households with incomes at or above 200% of the poverty level (US Census Bureau, 2011). Children who have health insurance typically have better access to preventive services, such as vaccinations, routine screenings, and medical treatment. The vast majority of children and youth in the Delaware (96.4%) have health insurance coverage (NSCH, 2011), either through a private source or a public health insurance program such as Medicaid. Nemours clinical operations in Florida include a hospital for children in Orlando, and a statewide physician practice with campuses in Jacksonville, Pensacola and Orlando. In 2011, 3,980,766 children and youth under the age of 18 years are living in Florida (US Census Bureau, 2011). Children under the age of 18 make up 21.1% of the total population for Florida compared to 23.8% of the total population nationally (US Census Bureau, 2011). The majority of children and youth in Florida are white (67.6%) while African American children make up 21% of the population (US Census Bureau, 2011). A slightly larger number of children and youth in Florida (24.9%) live below 100% of the FPL when compared to the national rate of children in poverty (22.5%). Based on the US Census bureau (2011), children in Florida are more likely to be uninsured or publicly insured (53.1%), and less likely to be privately insured (59.1%) than children and youth nationally (44.7% and 66.2%, respectively). The majority of children and youth in Florida are covered through private, largely employer-sponsored, health insurance. About 32.1% of children and youth in Florida are covered by public health insurance (US Census Bureau, 2011), a percentage which is slightly lower than the national average (29.5%). Finally, a greater proportion of children and youth are uninsured in Florida than nationally (21% vs. 15.2%) (US Census Bureau, 2011). For more information about the communities Nemours serves, please see our CHNA at <a href="http://www.nemours.org/community">www.nemours.org/community</a>.</p>
Schedule H, Part VI, Line 5	<p>The Alfred I. duPont Hospital for Children and the Alfred I. duPont Hospital for Children Surgery Center, Bryn Mawr have open model medical staffs. Criteria for membership and clinical privileges are outlined in the Medical Staff Bylaws. The Board of Managers of Delaware Valley, through approval of these Medical Staff Bylaws, has identified several services or departments that are restricted, meaning that only practitioners employed by or under contract with Nemours are eligible for privileges in that area. The restricted services or departments include anesthesiology, critical care including pediatric critical care, neonatology, cardiac critical care, emergency medicine, pathology, medical imaging, hospitalist service, and the Nemours Cardiac Center. The Nemours Childrens Hospital has an open model medical staff. Criteria for membership and clinical privileges are outlined in the Medical Staff Bylaws. The Board of Managers of Florida, through approval of these Medical Staff Bylaws has identified the following closed services or departments. They include anesthesiology, critical care including pediatric critical care and neonatology, emergency medicine, pathology, radiology, cardiology and hospitalist services.</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6	Nemours is not apart of an affiliated health care system However, Nemours works in tandem with numerous community resources in the communities it serves
Schedule H, Part VI, Line 7	Nemours is happy to provide access to its community report on the internet at <a href="http://www.nemours.org/content/dam/nemours/wwwv2/filebox/about/cbr-2013.pdf">http //www nemours org/content/dam/nemours/wwwv2/filebox/about/cbr-2013 pdf</a>



Additional Data

Software ID: 13000241

Software Version: v1.00

EIN: 59-0634433

Name: THE NEMOURS FOUNDATION

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)
1 NEMOURS DUPONT PEDIATRICS WILMINGTON 1600 ROCKLAND ROAD WILMINGTON,DE 19803	CHILDREN'S CLINIC SPECIALTY CARE
2 NEMOURS DUPONT PEDIATRICS COLLEGEVILLE 599 ARCOLA ROAD COLLEGEVILLE,PA 19426	CHILDREN'S CLINIC SPECIALTY CARE
3 NEMOURS CHILDREN'S CLINIC JACKSONVILLE 807 CHILDRENS WAY JACKSONVILLE,FL 32207	CHILDREN'S CLINIC SPECIALTY CARE
4 NEMOURS CHILDREN'S CLINIC JACKSONVILLE SOUTH 14785 OLD ST AUGUSTINE ROAD SUITE 200 JACKSONVILLE,FL 32258	CHILDREN'S CLINIC SPECIALTY CARE
5 NEMOURS CHILDREN'S CLINIC ORANGE PARK 2300 PARK AVENUE SUITE 206 ORANGE PARK,FL 32073	CHILDREN'S CLINIC SPECIALTY CARE
6 NEMOURS DUPONT PEDIATRICS WILMINGTON 1600 ROCKLAND ROAD WILMINGTON,DE 19803	CHILDREN'S CLINIC SPECIALTY CARE
7 NEMOURS DUPONT PEDIATRICS PHILADELPHIA 833 CHESTNUT STREET SUITE 601 PHILADELPHIA,PA 19107	CHILDREN'S CLINIC SPECIALTY CARE
8 NEMOURS CHILDREN'S CLINIC PENSACOLA 5153 NORTH 9TH AVENUE PENSACOLA,FL 32504	CHILDREN'S CLINIC SPECIALTY CARE
9 NEMOURS CHILDREN'S CLINIC DESTIN 7720 US HIGHWAY 98 WEST SUITE 260 DESTIN,FL 32550	CHILDREN'S CLINIC SPECIALTY CARE
10 NEMOURS CHILDREN'S CLINIC ORLANDO 1717 SOUTH ORANGE AVENUE SUITE 100 ORLANDO,FL 32806	CHILDREN'S CLINIC SPECIALTY CARE
11 NEMOURS CHILDREN'S CLINIC ORLANDO 13535 NEMOURS PARKWAY ORLANDO,FL 32827	CHILDREN'S CLINIC SPECIALTY CARE
12 NEMOURS CHILDREN'S CLINIC LAKE MARY 3300 WEST LAKE MARY BLVD SUITE 100 LAKE MARY,FL 32746	CHILDREN'S CLINIC SPECIALTY CARE
13 NEMOURS CHILDREN'S CLINIC VIERA 7000 SPYGLASS COURT SUITE 120 VIERA,FL 32940	CHILDREN'S CLINIC SPECIALTY CARE
14 NEMOURS DUPONT PEDIATRICS EGG HARBOR TOWNSHIP 2500 ENGLISH CREEK ROAD SUITE 1001 EGG HARBOR TOWNSHIP,NJ 08234	CHILDREN'S CLINIC SPECIALTY CARE
15 NEMOURS DUPONT PEDIATRICS BRYN MAWR 130 SOUTH BRYN MAWR AVENUE BRYN MAWR,PA 19010	CHILDREN'S CLINIC SPECIALTY CARE
16 NEMOURS DUPONT PEDIATRICS VOORHEES 443 LAUREL OAK ROAD SUITE 200 VOORHEES,NJ 08043	CHILDREN'S CLINIC SPECIALTY CARE
17 NEMOURS DUPONT PEDIATRICS VINELAND 2950 COLLEGE DRIVE SUITE 2B VINELAND,NJ 08360	CHILDREN'S CLINIC SPECIALTY CARE
18 NEMOURS DUPONT PEDIATRICS PEOPLE'S PLAZA 1400 PEOPLES PLAZA SUITE 300 NEWARK,DE 19702	CHILDREN'S CLINIC SPECIALTY CARE
19 NEMOURS DUPONT PEDIATRICS DOVER 102 WEST WATER STREET SUITE 1 DOVER,DE 19904	CHILDREN'S CLINIC SPECIALTY CARE
20 NEMOURS DUPONT PEDIATRICS ST FRANCIS 700 NORTH CLAYTON STREET SUITE 400 WILMINGTON,DE 19805	CHILDREN'S CLINIC SPECIALTY CARE
21 NEMOURS DUPONT PEDIATRICS NEWTOWN SQUARE 3855 WEST CHESTER PIKE SUITE 280 NEWTOWN SQUARE,PA 19073	CHILDREN'S CLINIC SPECIALTY CARE
22 NEMOURS DUPONT PEDIATRICS AT SEAFORD 49 FALLON AVENUE SEAFORD,DE 19973	CHILDREN'S CLINIC SPECIALTY CARE
23 NEMOURS DUPONT PERDIATRICS JESSUP STREET 1602 JESSUP STREET WILMINGTON,DE 19802	CHILDREN'S CLINIC SPECIALTY CARE
24 NEMOURS DUPONT PEDIATRICS MIDDLETOWN 200 CLEAVER FARM ROAD SUITE 201 MIDDLETOWN,DE 19709	CHILDREN'S CLINIC SPECIALTY CARE
25 NEMOURS DUPONT PEDIATRICS LANKENAU 100 EAST LANCASTER AVENUE SUITE 436 WYNNEWOOD,PA 19096	CHILDREN'S CLINIC SPECIALTY CARE
26 NEMOURS DUPONT PEDIATRICS MILFORD 703 NORTH DUPONT HIGHWAY MILFORD,DE 19963	CHILDREN'S CLINIC SPECIALTY CARE
27 NEMOURS DUPONT PEDIATRICS FOULK ROAD 910 FOULK ROAD SUITE 101 WILMINGTON,DE 19809	CHILDREN'S CLINIC SPECIALTY CARE
28 NEMOURS SENIORCARE WILMINGTON 1600 ROCKLAND ROAD WILMINGTON,DE 19803	CHILDREN'S CLINIC SPECIALTY CARE
29 NEMOURS DUPONT PEDIATRICS PHILADELPHIA PIKE 222 PHILADELPHIA PIKE WILMINGTON,DE 19809	CHILDREN'S CLINIC SPECIALTY CARE
30 NEMOURS DUPONT PEDIATRICS LANCASTER 2128 EMBASSY DRIVE LANCASTER,PA 17603	CHILDREN'S CLINIC SPECIALTY CARE
31 NEMOURS SENIORCARE MILFORD 915 NORTH DUPONT BOULEVARD MILFORD,DE 19963	CHILDREN'S CLINIC SPECIALTY CARE
32 NEMOURS BRIGHTSTART 9145 NARCOOSEE ROAD ORLANDO,FL 32827	CHILDREN'S CLINIC SPECIALTY CARE
33 NEMOURS BRIGHTSTART 49 FALLON AVENUE SEAFORD,DE 19973	CHILDREN'S CLINIC SPECIALTY CARE
34 NEMOURS HEALTH AND PREVENTION SERVICES 252 CHAPMAN ROAD CHRISTIANA BUILDING SUITE 200 NEWARK,DE 19702	CHILDREN'S CLINIC SPECIALTY CARE
35 NEMOURS HEALTH AND PREVENTION SERVICES 49 FALLON AVENUE SEAFORD,DE 19973	CHILDREN'S CLINIC SPECIALTY CARE
36 Children's Health Alliance Waterford Lakes 11715 Orpington St Suite A Orlando,FL 32817	CHILDREN'S CLINIC SPECIALTY CARE
37 Children's Health Alliance Longwood 521 W State Road 434 Suite 101 Longwood,FL 32750	CHILDREN'S CLINIC SPECIALTY CARE
38 Children's Health Alliance Vero Beach 960 37th Place Suite 101 Vero Beach,FL 32960	CHILDREN'S CLINIC SPECIALTY CARE
39 Children's Health Alliance Kissimmee 841 E Oak St Kissimmee,FL 34744	CHILDREN'S CLINIC SPECIALTY CARE
40 Children's Health Alliance Ormond Beach 400 Clyde Morris Blvd Suite A Ormond Beach,FL 32174	CHILDREN'S CLINIC SPECIALTY CARE
41 Children's Health Alliance Lake Nona 9145 Narcoossee Road Suite 103 Orlando,FL 32827	CHILDREN'S CLINIC SPECIALTY CARE
42 Children's Health Alliance Windermere 8934 Conroy Windermere Road Orlando,FL 32835	CHILDREN'S CLINIC SPECIALTY CARE

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE NEMOURS FOUNDATION

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
59-0634433

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
See Additional Data Table							

2

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

23

3

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

0

**Part III**

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Aggregate Employee Relief Fund Donations	1	1,000	0	FMV	
(2) Aggregate Research Patient Participation Payment	504	100,442	0	FMV	

**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
Schedule I, Part I, Line 2	The grants made by Nemours were made to public charities for use in their respective exempt missions. Accordingly Nemours expects the organization to use the funds for proper purposes and as such does not subsequently monitor these grants.

Additional Data

Software ID: 13000241  
Software Version: v1.00  
EIN: 59-0634433  
Name: THE NEMOURS FOUNDATION

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Ronald McDonald House of Delaware 1901 Rockland Road Wilmington, DE 19803	51-0295320	501(c)(3)	80,670	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Thomas Jefferson University 1015 Walnut Street Suite 621 Curtis Building Philadelphia, PA 19107	23-1352651	501(c)(3)	5,600	0	FMV		Donation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Orange County Board of County Commissioners 201 South Rosalind Avenue Orlando,FL 32829	99-9999999	GOVT	60,592	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Adopt a Pig 41 Lyons Run Road Glenmoore, PA 19343	26-1098565	501(c)(3)	8,375	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
American Heart Association Greater Southeast Affiliate PO Box 4002900 Des Moines, IA 50340	13-5613797	501(c)(3)	12,500	0	FMV		Donation



Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
American Lung Association Of Florida Inc 6952 Belfort Oaks Place Jacksonville,FL 32216	59-0662271	501(c)(3)	6,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Brain Injury Association Of Delaware PO Box 1897 Dover, DE 19903	51-0364396	501(c)(3)	5,480	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Cystic Fibrosis Foundation 1850 Lee Road Suite 111 Winter Park, FL 32789	13-1930701	501(c)(3)	6,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Delaware Children'S Museum 550 Justison Street Wilmington, DE 19801	51-0305812	501(C)(3)	10,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Girls On The Run Of Ncc PO Box 4098 Wilmington, DE 19807	20-2751642	501(C)(3)	10,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Girls On The Run Of Ncc 615 W 18Th Street Wilmington, DE 19802	20-2751642	501(C)(3)	10,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Harry P Leu Gardens (City Of Orlando) 1920 North Forest Avenue Orlando, FL 32803	99-9999999	GOVT	6,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Jacksonville Zoo 370 Zoo Parkway Jacksonville, FL 32218	59-1319010	501(C)(3)	7,000	0	FMV		Donation



Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Lake Nona Institute Inc 9801 Lake Nona Road Orlando, FL 32827	27-3346737	501(C)(3)	25,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
The Leapfrog Group 1660 L St Nw Suite 308 Washington, DC 20036	52-2359517	501(C)(3)	25,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Leukemia Research Foundation 203 Bohemia Mills Pond Drive Middletown, DE 19709	26-1215347	501(C)(3)	10,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
March Of Dimes 3012 Main St Voorhees, NJ 08043	13-1846366	501(C)(3)	7,800	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
March Of Dimes 5620 Kirkwood Highway Wilmington, DE 19808	13-1846366	501(C)(3)	15,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
March Of Dimes Central Florida Chapter 341 N Maitland Ave Ste 115 Maitland, FL 327514761	13-1846366	501(C)(3)	25,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Ronald Mcdonald House 1030 N Orange Avenue Suite 105 Orlando, FL 32801	59-3211250	501(C)(3)	20,000	0	FMV		Donation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Tom Coughlin Jay Foundation PO Box 50798 Jacksonville Beach, FL 322400798	59-3426937	501(c)(3)	11,500	0	FMV		Donation



Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Track Shack Fitness Club Inc Event Marketing And Management 1013 Montana Street Orlando, FL 32803	26-3361402	501(c)(3)	10,000	0	FMV		Donation

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Wolfson Childrens Hospital 820 Prudential Drive Jacksonville,FL 32207	59-0747311	501(c)(3)	12,500	0	FMV		Donation

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number  
59-0634433

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input checked="" type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <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><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>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4a Yes	
		4b Yes	
		4c	No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. 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>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III.	5a	No
		5b	No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III.	6a	No
		6b	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7 Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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
Schedule J, Part I, Line 1a	Nemours has established a policy for the reimbursement of travel and related expenses incurred by its employees. All transportation and travel arrangements shall be the most economical under the circumstances. Excursion or coach fares shall be ordered whenever available. Approval of a vice president shall be required for any other class of travel. Each department has the right to limit travel expenditures based on budgetary restrictions and may limit coverage to certain categories of travel expense. First class travel may occur in situations for Nemours employees wherein other fares are not available or travel is for a long period of time or overseas. Board members also have the option of traveling first class. Effective January 1, 2009 Nemours instituted a written policy regarding such travel.
Schedule J, Part I, Line 4	The Nemours Foundation maintained a Supplemental Employee Benefit Plan (SEBP) for most of the members of The Nemours executive team as determined by the Board of Directors. The SEBP provides each participant an employer provided annual flexible benefit allowance in the form of dollar credits which the participant may apply to any of the benefits offered under the plan which include individual long-term disability insurance and unfunded nonqualified deferred compensation benefits subject to IRC section 457(f). Under the plan each of the participants makes an annual election allocating his or her flexible benefit allowance for the upcoming year among the component benefits. The amount of the flexible benefit allowance may vary among the participants as determined by Nemours and Nemours may discontinue the flexible benefit allowances at any time. Contributions to the plan are disclosed in Form 990 Part VII Column F and Schedule J Part II Column (C).
Schedule J, Part I, Line 7	Certain employees of Nemours are eligible for incentive compensation. This compensation is based on qualitative and quantitative organizational goals and the achievement of such goals by the organization its division and individuals.

Additional Data

Software ID: 13000241  
Software Version: v1.00  
EIN: 59-0634433  
Name: THE NEMOURS FOUNDATION

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
William B Blanchard MD Dept of Cardiology, Physician, NCCP	(i) (ii)	163,511 0	37,303 0	1,702 0	4,195 0	4,017 0	210,728 0	0 0
Judith E Wall MD Medical Director, NCH	(i) (ii)	307,205 0	39,035 0	1,584 0	6,277 0	10,524 0	364,625 0	0 0
James S Reilly Dept of Otolaryngology/ENT Chair, AIDHC	(i) (ii)	375,475 0	20,520 0	3,048 0	6,726 0	9,922 0	415,691 0	0 0
Leslie Grissom Dept of Radiology, Radiologist, AIDHC	(i) (ii)	417,975 0	66,960 0	1,584 0	7,551 0	10,524 0	504,594 0	0 0
Kenneth Liechty MD Dept of Surgery Chair, NCH	(i) (ii)	637,367 0	81,253 0	360 0	0 0	38,823 0	757,803 0	0 0
Kevin Churchwell MD Sr VP, Nemours & CEO, AIDHC	(i) (ii)	343,683 0	145,539 0	322 0	0 0	28,039 0	517,583 0	0 0
Arabinda K Choudhary MD Dept of Medical Imaging Chair, AIDHC	(i) (ii)	151,471 0	0 0	80 0	0 0	7,058 0	158,609 0	0 0
Kevin P Sheahan MD Dept of Pediatrics Chief, NCCW	(i) (ii)	235,094 0	26,204 0	536 0	8,071 0	20,157 0	290,062 0	0 0
Randall W Hartley Chief Admin Officer, NCH	(i) (ii)	264,885 0	36,024 0	1,032 0	0 0	12,754 0	314,695 0	0 0
Barbara D Meeks Chief Nurse Executive, NCH	(i) (ii)	283,243 0	39,610 0	1,032 0	0 0	23,482 0	347,367 0	0 0
Paul A Pitel MD Dept of Pediatrics Chair, NCCJ	(i) (ii)	293,025 0	34,801 0	1,583 0	7,124 0	10,524 0	347,057 0	0 0
Mary B Mehta MD Medical Director, NCCP	(i) (ii)	300,982 0	40,673 0	552 0	4,283 0	19,364 0	365,854 0	0 0
Salvatore R Goodwin MD Dept of Anesthesiology Chair, NCCJ	(i) (ii)	345,011 0	51,204 0	1,584 0	5,935 0	14,306 0	418,040 0	0 0
Jay S Greenspan MD Dept of Pediatrics Chair, AIDHC	(i) (ii)	367,909 0	51,137 0	1,032 0	5,994 0	20,165 0	446,237 0	0 0
Paul Kempinski Chief Operating Officer, AIDHC	(i) (ii)	373,804 0	61,827 0	552 0	4,616 0	23,599 0	464,398 0	0 0
Andrew T Costarino Jr MD Dept of Anesthesiology, Anesthesiologist/Intensivist, AIDHC	(i) (ii)	418,013 0	42,887 0	1,584 0	5,860 0	345 0	468,689 0	0 0
Stephen Dunn MD Dept of Surgery Chair, AIDHC	(i) (ii)	451,142 0	24,089 0	1,584 0	5,965 0	9,922 0	492,702 0	0 0
George Mychaskiw MD Dept of Anesthesiology, Physician, NCCO	(i) (ii)	443,663 0	62,152 0	552 0	0 0	24,032 0	530,399 0	0 0
Terri Finkel MD Dept of Pediatrics Chair, NCH	(i) (ii)	443,248 0	67,500 0	1,584 0	0 0	29,482 0	541,814 0	0 0
Gary D Josephson MD Dept of Otolaryngology/ENT Chair, NCCJ	(i) (ii)	474,512 0	55,343 0	360 0	5,840 0	16,773 0	552,828 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				
Michael J Erhard MD Medical Director, NCCJ	(i) (ii)	493,583 0	60,019 0	552 0	6,260 0	23,599 0	584,013 0	0 0
Debbie J Merinbaum MD Dept of Radiology Chair, NCCJ	(i) (ii)	490,408 0	64,648 0	552 0	6,569 0	13,831 0	576,008 0	0 0
Eric A Loveless MD Division Chief, Orthopaedics, NCCJ	(i) (ii)	507,946 0	63,750 0	1,032 0	6,643 0	9,922 0	589,293 0	0 0
Steven Frick MD Dept of Orthopaedics Chair, NCH	(i) (ii)	640,883 0	45,058 0	360 0	0 0	32,844 0	719,145 0	0 0
William G Mackenzie MD Dept of Orthopaedics Chair, AIDHC	(i) (ii)	644,747 0	66,690 0	1,584 0	6,657 0	12,124 0	731,802 0	0 0
Christian Pizarro MD Director of Nemours Cardiac Center	(i) (ii)	1,614,739 0	121,010 0	552 0	6,043 0	20,572 0	1,762,916 0	0 0
William W Higginbotham II Managing Director Corp Finance	(i) (ii)	216,252 0	21,206 0	304 0	6,095 0	17,697 0	261,554 0	0 0
Mariane Stefano VP Service Operations Excellence	(i) (ii)	246,257 0	44,696 0	1,004 0	50,434 0	337 0	342,728 0	0 0
Deborah Chang VP Policy & Prevention	(i) (ii)	250,290 0	46,096 0	548 0	65,486 0	343 0	362,763 0	0 0
Rodney A McKendree VP, Finance	(i) (ii)	262,636 0	48,123 0	360 0	48,193 0	16,969 0	376,281 0	0 0
Brent R King MD VP Chief Medical Officer, AIDHC	(i) (ii)	290,552 0	0 0	21,516 0	12,528 0	12,138 0	336,734 0	0 0
Theresa M Young Sr VP Human Resources	(i) (ii)	268,125 0	49,292 0	50,709 0	6,010 0	8,648 0	382,784 0	0 0
Steven R Sparks Sr VP General Counsel	(i) (ii)	324,347 0	55,356 0	552 0	63,588 0	16,731 0	460,574 0	0 0
Gina Altieri VP Corporate Services	(i) (ii)	331,132 0	60,211 0	552 0	58,313 0	584 0	450,792 0	0 0
Stephen Lawless VP Quality & Safety	(i) (ii)	378,312 0	116,524 0	43,938 0	34,790 0	8,648 0	582,212 0	0 0
Roger A Oxendale Sr VP & Chief Exec Officer, NCH	(i) (ii)	526,516 0	109,545 0	1,585 0	0 0	23,273 0	660,919 0	0 0
Robert D Bridges EVP Chief Exec FL Operations and CFO	(i) (ii)	541,244 0	129,088 0	1,032 0	173,586 0	16,200 0	861,150 0	0 0
R J Cummings MD VP Physician Practices-FL	(i) (ii)	505,095 0	115,419 0	156,485 0	7,260 0	10,102 0	794,361 0	0 0
Roy Proujansky EVP Chief Exec DE Operations	(i) (ii)	593,810 0	133,980 0	56,742 0	59,137 0	10,524 0	854,193 0	0 0
Lane F Donnelly MD VP Chief Medical Officer	(i) (ii)	738,728 0	186,689 0	360 0	144,554 0	32,915 0	1,103,246 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				
David J Bailey MD President/CEO	(i) (ii)	799,080 0	213,140 0	218,970 0	132,427 0	10,524 0	1,374,141 0	0 0
Suken A Shah MD Dept of Orthopaedics, Surgeon, AIDHC	(i) (ii)	672,976 0	53,852 0	240 0	5,935 0	17,740 0	750,743 0	0 0
Nicholas Poulos MD Dept of Surgery, Physician, NCCJ	(i) (ii)	455,629 0	91,127 0	552 0	4,257 0	31,474 0	583,039 0	0 0
Daniel K Robie MD Dept of Surgery, Division Chief, NCCJ	(i) (ii)	481,084 0	89,377 0	552 0	0 0	16,732 0	587,745 0	0 0
Todd A Maugans MD Dept of Neurosurgery, Division Chief, NCH	(i) (ii)	728,970 0	78,128 0	552 0	0 0	27,056 0	834,706 0	0 0
Robert C Burns MD Dept of Surgery, Division Chief, NCH	(i) (ii)	544,416 0	63,254 0	360 0	0 0	37,357 0	645,387 0	0 0
Hugh M Durden Director	(i) (ii)	0 150,454	0 0	0 0	0 0	0 0	0 150,454	0 0



Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number  
59-0634433

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 Delaware Health Facilities Authority	51-0272458	246388NE8	01-26-2005	50,950,000	See Part V		X		X		X
B Orange County Health Facilities Authority	52-1035390	6845036W0	10-15-2009	326,242,302	See Part V		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	6,235,000		6,870,000					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	50,950,000		326,242,302					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrows	0		24,350,000					
7	Issuance costs from proceeds	483,143		1,834,712					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	50,466,857		300,057,590					
11	Other spent proceeds	0		0					
12	Other unspent proceeds	0		0					
13	Year of substantial completion	2007		2012					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?	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					
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				
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?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	2 51 %		0 66 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6	Total of lines 4 and 5	2 51 %		0 66 %					
7	Does the bond issue meet the private security or payment test?	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				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

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				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?		X		X				
c	No rebate due?	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					
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
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				
b	Name of provider	XL Asset Funding							
c	Term of GIC	1 5							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X				

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part I, Column a-01/26/2005 50,950,000 Delaware Health	The proceeds of these bonds were used to finance the cost of the acquisition, construction and installation of certain health care facilities used in connection with the Alfred I Dupont hospital located in Wilmington DE These facilities include improvements to an existing two-story building and multi-level parking structure construction of a multi-level parking structure on the grounds of the hospital the acquisition and installation of medical equipment furnishings and other capital improvements at the hospital
Schedule K, Part I, Column b-10/15/2009 326,242,302 Orange County Health	A portion of the proceeds of these bonds were used to refund on a current basis all of the outstanding Jacksonville Health Facility Authority Revenue Bonds (The Nemours Foundation Project) Series 2007 originally issued on October 3 2007 The proceeds were used to finance the cost of the acquisition, construction, installation and equipping of a new administrative facility located in Jacksonville Florida and owned and operated by Nemours and related fixtures furnishings and equipment The remaining portion of the proceeds of these bonds were used for the purpose of providing funds which together with other available funds were used to finance a portion of the cost of the acquisition construction installation and equipping of a pediatric healthcare facility owned and operated by Nemours including a 95-bed freestanding children's hospital known as Nemours Children's Hospital and Outpatient Clinic and related facilities equipment fixtures and furnishings located in Orlando Florida
Schedule K, Part III, Line 4-10/15/2009 326,242,302 Orange County Health	For the year ended December 31 2013 private use disclosed in Schedule K Part III Line 4 Column A is 2 51% Included in the private use calculation is space leased pursuant to a lease agreement with a local healthcare provider ("Lease") which represents all private use for the noted bond issue in 2012 The Lease will expire June 30, 2015 and management does not anticipate renewing the Lease Assuming the Lease is not renewed the adjusted private business use amount relating to the Lease over the life of the 2005 Delaware Bonds is 1 1205%
Schedule K, Part IV, Line 2c-01/26/2005 50,950,000 Delaware Health	None due Funds spent in 2007
Schedule K, Part IV, Line 2c-10/15/2009 326,242,302 Orange County Health	12/6/2012

SCHEDULE M  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Noncash Contributions

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

►Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number  
59-0634433

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .	X		14,800	cost or sales price
5 Clothing and household goods . . . . .	X		183,121	cost or sales price
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	9	175,957	FMV
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► ( Miscellaneous )	X	104	150,279	cost or sales price
26 Other ► ( )				
27 Other ► ( )				
28 Other ► ( )				

29

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

29

0

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .

32a

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

Part II

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

Return Reference	Explanation
Schedule M, Part I	Nemours reports the number of contributions received and not by the number of items

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.  
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization THE NEMOURS FOUNDATION	Employer identification number 59-0634433
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Return Reference	Explanation
Form 990, Part VI, Section A, Line 2	Mr Durden , Mr Porter, Mr Lord, Mr Thornton and Mr Thompson have a shared business relationship These directors serve as trustees of the Alfred I DuPont Testamentary Trust, of w hich Nemours is the only charitable beneficiary

Return Reference	Explanation
Form 990, Part VI, Section A, Line 6	Questions 6, 7a and 7b - Nemours' organizational documents include members who constitute a portion of the governing body. Specifically, the members are those individuals who also serve as trustees of the Alfred I. DuPont Testamentary Trust (the Trust). The Trust's primary purpose is to provide funding for Nemours' charitable activities in the communities it serves. As trustees of the trust, these individuals are appointed as members of Nemours. The members have certain general oversight rights and some limited retained powers. The board of directors, made up of member directors (those members that opt to also serve on the board of directors) and non-member directors, who are selected by the members of Nemours. The board of directors has full governance over the activities of Nemours.

Return Reference	Explanation
Form 990, Part VI, Section A, Line 7a	Same as Question 6



Return Reference	Explanation
Form 990, Part VI, Section A, Line 7b	Same as Question 6

Return Reference	Explanation
Form 990, Part VI, Section B, Line 11b	<p>During November 2014, management distributed a draft of the 2013 Form 990 to the Audit and Finance committee prior to the scheduled board of directors meeting on November 11, 2014. During the course of the board of directors meeting, management presented an overview of Form 990 to the Audit and Finance committee and gave the committee members an opportunity to provide comments and ask questions with respect to the draft. Based on feedback provided from the committee members, management updated the draft Form 990. Upon finalization of the return, management provided a final copy of the return via e-mail to the board of directors.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, Line 12c	<p>Nemours has established a conflict of interest policy which has been reviewed and approved by the board of directors. Nemours is committed to the belief that sound business practices start with an absolute commitment from each employee to act ethically in carrying out Nemours business, and to comply with the laws and regulations that impact its business, thus Nemours' employees must avoid participating in activities that create or appear to create a conflict of interest. Nemours has specifically identified the following areas in its policy to be potential conflicts of interest: financial interest, outside employment, paid faculty arrangements, consultant or research contracts, acceptance of gifts, gratuities, business courtesies, travel, lodging and entertainment, misuse of resources or assets, personal gain using undue influence, direct dealings with vendors, use of confidential information, and an individual's support of political causes. Nemours' policy requires certain individuals to disclose participation in activities or circumstances that may present a conflict of interest on an annual basis or if at any time such individual becomes aware of circumstances that may present a conflict of interest. These disclosures are reviewed by the Audit and Finance Committee as necessary.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, Line 15	<p>Nemours board of directors designated the People, Compensation and Reputation Committee (PCRC) to serve as a compensation committee responsible for establishing compensation practices which are reasonable and do not violate the private inurement prohibition. The practices and processes are designed to avoid any claim for intermediate sanctions and to satisfy the requirements to obtain the rebuttable presumption. The PCRC annually reviews outside, independent data to establish the compensation of our officers and key employees. The board of directors reviews and sets forth the compensation for the CEO using the same process as the PCRC. The committee engages and utilizes an independent consulting firm, to provide expert information regarding industry-wide compensation norms. The PCRC meets with a representative from the consulting firm and the human resources department when reviewing compensation for the senior leadership group on a yearly basis. The company philosophy is to match the market on average pay, identifying the median. Total cash compensation is generally targeted to be at the median of Nemours' peers.</p>

Return Reference	Explanation
Form 990, Part VI, Section C, Line 19	Generally Nemours does not make its governing documents or its conflict of interest policy available to the public. However, Nemours articles of incorporation are publicly available through Florida's secretary of state website <a href="http://www.sunbiz.org">www.sunbiz.org</a> . Additionally, Nemours audited financial statements can be accessed through Digital Assurance Certification LLC website <a href="http://www.dacbond.com">www.dacbond.com</a> .

Return Reference	Explanation
Form 990, Part XI, Line 9	Pension liability adjustment \$116,227,171 plus PMSI decrease in unrestricted net assets (\$2,202,403) equals \$114,024,768

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE NEMOURS FOUNDATION

Employer identification number  
59-0634433

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

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) Cruden Bay Risk Retention Group Inc  2386 Airport Road  Barre, VT 05641 27-0057453	Risk Retention	VT	501(C)(3)	509(A)(3)	The Nemours Foundation	Yes	
(2) Pediatric Medical Services of Florida Inc  9145 Narcoossee Road Suite A203 Orlando, FL 32827 45-3584225	Health Care	FL	501(C)(3)	509(A)(2)	The Nemours Foundation	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) Disproporionate 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
(1) Dornoch Sutherland Assurance LTD PO Box 1085 GT Grand Cayman KY1-1102 CJ 98-0404800	Captive Insurance	CJ	The Nemours Foundation	C	-10,195,439	21,926,159	100 %	Yes	
(2) Alfred I duPont Testamentary Trust  510 Alfred Dupont Place Jacksonville, FL 32202 59-0226560	Charity Investment	FL	N/A	T					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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

No

Yes

Yes

No

No

No

Yes

Yes

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Dornoch Sutherland Assurance LTD	m	18,426,300	FMV
(2) Dornoch Sutherland Assurance LTD	l	1,000,000	FMV
(3) Cruden Bay Risk Retention Group Inc	m	1,260,000	FMV
(4) Cruden Bay Risk Retention Group Inc	q	394,507	FMV
(5) Pediatric Medical Services of Florida Inc	r	4,969,719	FMV

Schedule R (Form 990) 2013

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
------------------	-------------

**TY 2013 Reasonable Cause Explanation**

**Name:** THE NEMOURS FOUNDATION

**EIN:** 59-0634433

**Software ID:** 13000241

**Software Version:** v1.00

**Explanation:** The return is being filed on a timely basis. The client filed extensions on a timely basis in manually with the IRS. The tax return software system being used to efile the return generates a reasonable cause statement if extensions are not filed in that system. Accordingly, the return was properly extended and is now being filed timely by its extended due date of November 17, 2014.



**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

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KPMG LLP  
Suite 1100  
Independent Square  
One Independent Drive  
Jacksonville, FL 32202

## **Independent Auditors' Report**

The Board of Directors  
The Nemours Foundation

We have audited the accompanying financial statements of Alfred I. duPont Hospital for Children (AIDHC), an operating division of The Nemours Foundation, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, change in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 from material misstatement, whether due to fraud or error.

### ***Auditors' 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 financial position of Alfred I. duPont Hospital for Children, an operating division of The Nemours Foundation, as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Jacksonville, Florida  
April 29, 2014  
Certified Public Accountants



**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Balance Sheets

December 31, 2013 and 2012

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Current assets		
Cash	\$ 2,350	1,850
Collateral received for securities lending transactions	—	2,332,194
Patient accounts receivable, less allowances for doubtful accounts of approximately \$16,020,000 in 2013 and \$12,298,000 in 2012	45,974,302	53,766,217
Assets whose use is limited	—	1,370,000
Supplies	3,029,961	2,711,655
Prepaid expenses and other current assets	1,215,104	774,726
Due from Nemours	1,544,109	4,646,106
Total current assets	<u>51,765,826</u>	<u>65,602,748</u>
Assets whose use is limited	154,476,796	172,416,903
Temporarily restricted pledges receivable, net	2,603,919	2,618,754
Property and equipment		
Land and land improvements	10,699,082	10,694,087
Buildings and improvements	273,101,110	269,506,072
Equipment	219,256,343	202,137,667
	<u>503,056,535</u>	<u>482,337,826</u>
Less accumulated depreciation	<u>(315,050,252)</u>	<u>(290,294,732)</u>
	188,006,283	192,043,094
Construction in progress	186,338,569	75,404,869
	<u>374,344,852</u>	<u>267,447,963</u>
Other assets	263,715	585,521
Permanently restricted pledges receivable, net	7,219	12,091
	<u>\$ 583,462,327</u>	<u>508,683,980</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 31,924,391	18,197,517
Accrued compensation and benefits	12,988,811	11,971,298
Liabilities under securities lending transactions	—	2,332,194
Current portion of long-term debt	1,290,000	1,370,000
Deferred revenue	147,970	175,495
Total current liabilities	<u>46,351,172</u>	<u>34,046,504</u>
Self-insurance reserves	35,923	15,335
Long-term debt, net of current portion	<u>40,105,000</u>	<u>41,395,000</u>
Total liabilities	<u>86,492,095</u>	<u>75,456,839</u>
Net assets		
Unrestricted	493,197,153	429,603,204
Temporarily restricted	3,726,766	3,588,937
Permanently restricted	46,313	35,000
Total net assets	<u>496,970,232</u>	<u>433,227,141</u>
	<u>\$ 583,462,327</u>	<u>508,683,980</u>

See accompanying notes to financial statements

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Statements of Operations

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues and other support.		
Patient service revenue (net of contractual allowances and discounts)	\$ 396,160,723	379,375,704
Provision for bad debts	(8,861,216)	(9,391,980)
Net patient service revenue less provision for bad debts	387,299,507	369,983,724
Net assets released from restrictions used for operations	93,221	132,186
Investment income	471,750	1,142,953
Contracted services revenue	1,751,824	1,271,333
Grant revenue	540,973	1,022,292
Other	7,249,607	4,684,248
Total operating revenues	<u>397,406,882</u>	<u>378,236,736</u>
Operating expenses		
Salaries and benefits	193,762,120	184,387,727
Professional fees	20,845,565	22,699,204
Supplies	59,571,970	58,301,786
Repairs and maintenance	6,602,789	6,922,582
Purchased services	21,306,444	24,077,047
Depreciation	27,542,277	26,149,324
Rent and lease	2,434,420	1,936,990
Utilities and telephone	8,478,199	9,427,408
Insurance	3,498,213	1,717,802
Interest	340,285	413,826
Advertising	3,004,089	3,702,913
Other	3,452,895	5,337,067
Total operating expenses	<u>350,839,266</u>	<u>345,073,676</u>
Operating income	46,567,616	33,163,060
Net assets released for capital purchases	2,715,827	8,607,998
Distributions to affiliates, net	(312,819)	—
Distributions from Nemours, net	14,623,325	11,834,254
Increase in unrestricted net assets	<u>\$ 63,593,949</u>	<u>53,605,312</u>

See accompanying notes to financial statements

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Statements of Changes in Net Assets

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets.		
Operating income	\$ 46,567,616	33,163,060
Net assets released for capital purchases	2,715,827	8,607,998
Distributions to affiliates, net	(312,819)	—
Distributions from Nemours, net	<u>14,623,325</u>	<u>11,834,254</u>
Increase in unrestricted net assets	<u>63,593,949</u>	<u>53,605,312</u>
Temporarily restricted net assets		
Net assets released from restrictions used for operations	(93,221)	(132,186)
Net assets released for capital purchases	(2,715,827)	(8,607,998)
Investment return	3,064	902
Contributions	2,782,913	4,403,023
Transfers from (to) Nemours	<u>160,900</u>	<u>(4,962)</u>
Increase (decrease) in temporarily restricted net assets	<u>137,829</u>	<u>(4,341,221)</u>
Permanently restricted net assets		
Contributions	<u>11,313</u>	<u>17,860</u>
Increase in permanently restricted net assets	<u>11,313</u>	<u>17,860</u>
Increase in net assets	63,743,091	49,281,951
Net assets, beginning of year	<u>433,227,141</u>	<u>383,945,190</u>
Net assets, end of year	<u>\$ 496,970,232</u>	<u>433,227,141</u>

See accompanying notes to financial statements

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Statements of Cash Flows

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase in net assets	\$ 63,743,091	49,281,951
Adjustments to reconcile increase in net assets to net cash provided by operating activities.		
Distributions from Nemours, net	(14,623,325)	(11,834,254)
Transfers to Nemours	(160,900)	4,962
Depreciation	27,542,277	26,149,324
Net realized and unrealized losses on investments	2,842,424	1,852,944
Net loss on disposal of property and equipment	2,605	105,422
Provision for bad debts	8,861,216	9,391,980
Restricted contributions received	(2,794,226)	(4,420,883)
Increase in patient accounts receivable	(1,069,301)	(6,678,222)
Increase in supplies	(318,306)	(711,060)
Increase in prepaid expenses and other current assets	(440,378)	(55,110)
Decrease in pledges receivable, net	19,707	1,411,261
Decrease in other assets	321,806	11,286
Decrease in accounts payable and accrued expenses	(8,980,588)	(4,240,450)
Increase in accrued compensation and benefits	1,017,513	1,488,033
(Decrease) increase in deferred revenue	(27,525)	4,114
Increase in self-insurance reserves	20,588	15,335
Net cash provided by operating activities	<u>75,956,678</u>	<u>61,776,633</u>
Cash flows from investing activities		
Purchases of property and equipment, net	(108,999,744)	(62,736,914)
Sale of investments	147,020,076	114,834,504
Purchases of investments	(130,552,393)	(113,243,890)
Proceeds from sale of property and equipment	—	65,600
Net cash used in investing activities	<u>(92,532,061)</u>	<u>(61,080,700)</u>
Cash flows from financing activities.		
Repayment of long-term debt	(1,370,000)	(1,210,000)
Distributions to Nemours	(88,657,978)	(61,448,007)
Distributions from Nemours to finance capital projects	103,648,735	57,546,153
Proceeds from restricted contributions	2,794,226	4,420,883
Transfers to Nemours	160,900	(4,962)
Net cash provided by (used in) financing activities	<u>16,575,883</u>	<u>(695,933)</u>
Increase in cash	500	—
Cash, at beginning of year	<u>1,850</u>	<u>1,850</u>
Cash, at end of year	<u>\$ 2,350</u>	<u>1,850</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 44,685	80,663
Change in construction in progress in accounts payable	22,707,462	7,220,157

See accompanying notes to financial statements

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

**(1) Significant Accounting Policies**

**(a) Organization**

Alfred I. duPont Hospital for Children (AIDHC) is an operating division of The Nemours Foundation (Nemours). AIDHC is located on an estate consisting of approximately 300 acres in Wilmington, Delaware and its principal operations consist of a full-service, 200-bed children's hospital. Nemours periodically provides funds for AIDHC. With the exception of Medicaid, there are no significant federal or state program funds through healthcare entitlement programs that are currently accepted by AIDHC.

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on AIDHC as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as unrestricted, temporarily restricted, and permanently restricted as follows:

- Unrestricted net assets are resources generated from operations, unrestricted donations, and lapse of temporary restrictions and are not subject to donor-imposed stipulations.
- Temporarily restricted net assets are those whose use by AIDHC has been limited by donors to a specific time period or purpose.
- Permanently restricted net assets have been restricted by donors to be maintained by AIDHC in perpetuity.

**(b) Use of Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Concentrations of Credit Risk**

Financial instruments, which potentially expose AIDHC to concentrations of credit risk, consist primarily of patient accounts receivable. AIDHC has not experienced significant losses related to receivables from individual customers or groups of customers in a particular industry or geographic area. Due to these factors, management believes no additional credit risk beyond amounts provided for collection losses are inherent in AIDHC's patient accounts receivable.

**(d) Community Benefit**

AIDHC has policies providing financial assistance for patients requiring care but who have limited or no means to pay for that care. These policies provide free or discounted health and health-related services to patients who qualify under certain income and asset criteria. Because AIDHC does not pursue collection of amounts determined to qualify for financial assistance, they are not reported as

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

net patient service revenue. AIDHC maintains records to identify and monitor levels of financial assistance it provides. Charges foregone for services provided under AIDHC's financial assistance policy as a percentage of total charges for the year ended December 31, 2013 and 2012 was approximately 2.2% and 1.8%, respectively.

**(e) Patient Accounts Receivable**

Patient account receivable are reported at net realizable value. Accounts are written off when they are **determined to be uncollectible based upon management's assessment of individual accounts**. In evaluating the collectibility of patient accounts receivable, AIDHC analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. For receivables associated with services provided to patients who have third-party coverage (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), AIDHC analyzes contractual amounts due and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, AIDHC records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

AIDHC routinely adjusts its allowance for doubtful accounts based on historical collection rates. AIDHC has not changed its financial assistance policy in 2013.

**(f) Supplies**

Supplies are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.

**(g) Assets Whose Use Is Limited**

Assets whose use is limited include assets for future capital improvements as designated by the Board of Directors and assets held by trustee under bond indenture for principal payments. These assets consist of cash, cash equivalents, and investments as described in note 3.

**(h) Debt Issue Costs**

Debt issue costs, net of accumulated amortization of \$48,000 and \$39,000, were approximately \$189,000 and \$198,000 as of December 31, 2013 and 2012, respectively, and are included in other assets in the accompanying balance sheets. Debt issue costs are being amortized using the straight-line method over the life of the related debt, which approximates the effective-interest method. Amortization of debt issue costs is included in interest expense in the statements of operations.

**(i) Property and Equipment**

Property and equipment have been recorded at historical cost at the date of acquisition or fair value at the date of donation. Major asset classifications and useful lives are generally in accordance with

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

those recommended by the American Hospital Association and range from 3 to 40 years. The straight-line method of computing depreciation is used for all depreciable assets.

Construction in progress at December 31, 2013 and 2012 consists primarily of amounts expended toward the design and construction of a new inpatient facility. At December 31, 2013 and 2012, the remaining commitment on the various ongoing capital projects was approximately \$88,000,000 and \$193,500,000, respectively.

**(j) *Net Patient Service Revenue***

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

**(k) *Contracted Services Revenue***

Nemours contracts to provide certain medical services to other healthcare providers. The reimbursement for these services is classified as contracted services revenue in the accompanying statements of operations.

**(l) *Grant and Deferred Revenue***

AIDHC defers recognition of grant revenue received from outside parties until expenditures are incurred or patients are seen.

**(m) *Cash Management***

Under Nemours' cash management system, receipts are deposited daily into a centralized cash management bank account and funds are transferred into appropriate accounts as disbursement and payroll checks clear the bank. As these functions are centralized, there is minimal cash reflected in AIDHC's balance sheets.

**(n) *Impairment of Long-Lived Assets***

Management regularly evaluates whether events or changes in circumstances have occurred that could indicate an impairment in the value of long-lived assets. If there is an indication that the carrying amount of an asset is not recoverable, AIDHC estimates the projected undiscounted cash flows, excluding interest, to determine if an impairment loss should be recognized. The amount of impairment loss, if any, is determined by comparing the historical carrying value of the asset to its estimated fair value. During the years ended December 31, 2013 and 2012, no impairment losses were recognized.

In addition to consideration of impairment upon the events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are revised, the carrying value of affected assets is depreciated or amortized over the remaining lives. No such adjustments were recorded during the years ended December 31, 2013 and 2012.

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
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Notes to Financial Statements

December 31, 2013 and 2012

**(o) Fair Value Measurements**

AIDHC follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, for fair value measurements and disclosures of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value 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. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 11).

**(p) Operating Income**

The statements of operations include operating income. Transactions deemed by AIDHC to be ongoing, major, or central to the provision of services are reported as elements of operating income.

**(q) Income Taxes**

AIDHC does not provide for income taxes, as Nemours is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). AIDHC is also exempt from state income taxes.

**(r) Pledges Receivable**

AIDHC reports unconditional promises to give as contributions. If pledges are expected to be collected in less than one year, they are recorded at the estimated amount to be ultimately realized. If pledges are to be paid to the organization over a period of years, they are recorded at the present value of their estimated cash flows using the prime rate as of the date of the donation. Amortization of discounts is included in contribution revenue. The allowance for uncollectible pledges receivable is determined based on management's evaluation of the collectibility of individual promises. Pledges that remain uncollected more than one year after their due date are written off unless the donors indicate that payment is merely postponed.

**(s) Reclassifications**

Certain reclassifications are reflected in the 2012 financial statements to conform to the 2013 presentation.

**(2) Net Patient Service Revenue**

AIDHC has agreements with third-party payors that provide for payment at amounts different from established rates. The basis for payment under certain commercial insurance carriers, health maintenance organizations, and preferred provider organization agreements and for Medicaid program beneficiaries include prospectively determined rates per procedure, discounts from established charges, and prospectively determined per diem rates.



**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

Net patient service revenue consists of the following for the year ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Gross patient charges	\$ 830,158,699	772,607,237
Contractual adjustments	(433,997,976)	(393,231,533)
Provision for bad debts	(8,861,216)	(9,391,980)
Net patient service revenue	<u>\$ 387,299,507</u>	<u>369,983,724</u>

The 2013 gross patient charges are comprised of the following

	<u>Percentage inpatient revenue</u>	<u>Percentage outpatient revenue</u>	<u>Percentage total revenue</u>
Payor			
Managed Care	44%	59%	51%
Medicaid – Managed Care	36	25	30
Medicaid – Traditional	16	11	14
Child Financial Services	1	1	1
Other	3	4	4
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

The 2012 gross patient charges are comprised of the following

	<u>Percentage inpatient revenue</u>	<u>Percentage outpatient revenue</u>	<u>Percentage total revenue</u>
Payor			
Managed Care	45%	58%	50%
Medicaid – Managed Care	33	26	30
Medicaid – Traditional	14	11	13
Child Financial Services	2	1	2
Other	6	4	5
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Medicaid**

AIDHC services patients from different states, mainly due to its location and proximity to multiple states. The two main sources of Medicaid revenue are Delaware and Pennsylvania. Inpatient services rendered to Delaware Medicaid program beneficiaries are reimbursed based on a case rate while outpatient services are reimbursed based, for the most part, on a fee schedule. Pennsylvania Medicaid reimburses for inpatient services based on a diagnostic-related group and outpatient services are paid based on a fee schedule. The

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

reimbursable cost in the Medicaid cost report is not directly used to determine reimbursement for services in Delaware or Pennsylvania. Rather, the information in the cost report is used to update certain factors and to determine if AIDHC is eligible for Disproportionate Share Payments (DSH). Currently, AIDHC is not eligible for Pennsylvania Medicaid DSH payments. The state of Delaware recently began a DSH program. However, AIDHC is not eligible for DSH payments.

The classification of patients and the appropriateness of their admission are subject to review by the fiscal intermediaries administering the Medicaid programs.

Laws and regulations governing the Medicaid programs are complex and subject to interpretation. As a result, a possibility exists that recorded estimates associated with this program will change by a material amount in the near term. AIDHC believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future governmental review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid programs.

***Other Payors***

Nemours has also entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these arrangements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates. Some of these arrangements provide for review of paid claims for compliance with the terms of the contract and result in retroactive settlement with third parties. Retroactive adjustments for other third-party claims are recorded in the period when final settlement is determined.

**(3) Assets Whose Use is Limited**

Assets whose use is limited consists of assets to be used in the construction of a new inpatient facility and for other future capital improvements as designated by the Board of Directors, and assets held by the trustee under bond indenture for principal payments. There were no assets held by the trustee under bond indenture as of December 31, 2013 and \$1,370,000 as of December 31, 2012.

Assets whose use is limited at December 31, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 52,511,549	34,161,915
U.S. Treasury bills, notes, and bonds	19,356,461	66,863,041
Corporate bonds and notes	78,198,100	55,634,630
U.S. government mortgage obligations	3,570,839	12,416,161
U.S. government agencies	—	4,002,040
Interest receivable	839,847	709,116
	<u>\$ 154,476,796</u>	<u>173,786,903</u>

**ALFRED I. duPONT HOSPITAL FOR CHILDREN**  
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Notes to Financial Statements

December 31, 2013 and 2012

Investment return on assets whose use is limited is comprised of the following for the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Interest and dividend income, net	\$ 3,314,174	2,995,897
Realized losses on sales of securities	(2,411,746)	(1,963,505)
Net unrealized (losses) gains on investments	(430,678)	110,561
	<u>\$ 471,750</u>	<u>1,142,953</u>

During 2012 and through March 28, 2013, Nemours had a securities lending agreement with an independent third party on certain securities for the purpose of increasing investment income. When Nemours loaned securities, the risk of failure by the borrower to return the loaned securities was alleviated by such loans being continuously collateralized by securities of the borrower.

At December 31, 2012, AIDHC had loaned U.S. securities with a market value \$2,285,458, which were secured by noncash collateral with a market value of \$2,332,194 and were held by a third-party safekeeping agent. No securities were on loan at December 31, 2013.

**(4) Long-Term Debt**

On January 26, 2005, the Delaware Health Facilities Authority (Authority) issued \$50,950,000 in tax-exempt auction rate revenue bonds (Bonds) pursuant to a bond trust indenture between the Authority and Nemours. The proceeds of the Bonds were used by Nemours to (a) finance the cost of the acquisition and renovation of an office building adjacent to the AIDHC campus, (b) finance the cost of the acquisition and installation of equipment to be used in connection with the operation of AIDHC, (c) finance the construction of a parking garage containing approximately 1,500 spaces located on the campus of AIDHC, and (d) pay certain expenses of issuing the Bonds. The estimated fair value of the outstanding principal of the Bonds at December 31, 2013 and 2012 was \$41,395,000 and \$42,765,000, respectively. The Bonds mature in various years beginning January 1, 2006 through January 1, 2035. The interest rate at December 31, 2013 and 2012 was 0.05% and 0.13%, respectively.

During 2008, Nemours converted the Bonds from auction rate revenue bonds to variable rate demand bonds bearing interest in variable rate weekly mode. In conjunction with the conversion, Nemours entered into a standby bond purchase agreement with Bank of America, N.A. (Bank) which will expire on April 20, 2017. Under the terms of the agreement, the Bank has agreed to purchase those bonds, if any, which have been optionally tendered for purchase or that are subject to mandatory tender for purchase but are not remarketed.

The master trust agreement and related documents for the Bonds contain certain covenants and restrictions with which Nemours is required to comply. Noncompliance with any of these covenants or the occurrence of any other event of default, if not waived or corrected, could accelerate the maturity of the borrowings outstanding under the indenture. Management believes that Nemours is in compliance with such covenants at December 31, 2013.

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The principal and interest payments for the Bonds are unsecured general obligations of Nemours

Long-term debt attributed to AIDHC consists of the following at December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Delaware Health Facilities Authority Revenue Bonds.		
The Nemours Foundation Project, Series 2005	\$ 41,395,000	42,765,000
Less current portion of long-term debt	<u>(1,290,000)</u>	<u>(1,370,000)</u>
Long-term debt, less current portion	<u>\$ 40,105,000</u>	<u>41,395,000</u>

Scheduled principal repayments of long-term debt as of December 31, 2013 are as follows

2014	\$ 1,290,000
2015	1,445,000
2016	1,380,000
2017	1,530,000
2018	1,570,000
Thereafter	<u>34,180,000</u>
	<u>\$ 41,395,000</u>

**(5) Restricted Net Assets**

AIDHC has temporarily restricted gifts from donors, including temporarily restricted investment return on permanently restricted endowments, in the amount of \$3,726,766 and \$3,588,937 at December 31, 2013 and 2012, respectively. Net assets were released from donor restrictions by incurring costs satisfying various restricted operating and capital purposes of approximately \$2,809,000 and \$8,740,000 in 2013 and 2012, respectively.

AIDHC has permanently restricted gifts from donors in the amount of \$46,313 and \$35,000 as of December 31, 2013 and 2012, respectively. AIDHC's endowment has been established for nightingale nursing. The endowment is all donor restricted and internally controlled. As required by relevant accounting literature, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. There are restrictions on the use of the related income of the endowment.

AIDHC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by AIDHC in a manner consistent with the donor designations.

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**(6) Pension Plans**

**(a) Defined Contribution Plan**

AIDHC participates in a defined contribution plan (403(b) Plan) sponsored by Nemours. The plan covers substantially all employees. Nemours formalized its existing 403(b) Plan to include base contribution and employer match provisions. AIDHC's contribution to the 403(b) Plan was approximately \$2,420,000 and \$1,974,000 in 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

**(b) Noncontributory Defined Benefit Pension Plan**

AIDHC also participates in a noncontributory defined benefit pension plan (the Plan) sponsored by Nemours. Effective January 1, 2010, Nemours closed the Plan to new participants. The Plan's expense allocated to AIDHC was approximately \$12,068,000 and \$8,996,000 for 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

**(7) Concentrations of Credit Risk**

AIDHC grants credit without collateral to its patients, most of whom are local patients and are insured under third-party payor agreements. The percentages of receivables from patients and third-party payors at December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Managed Care	38%	43%
Medicaid – Managed Care	27	23
Medicaid – Traditional	14	14
Other	21	20
	<u>100%</u>	<u>100%</u>

**(8) Transactions with Affiliated Organizations**

Nemours provides certain services to AIDHC based on allocated costs. Such amounts included in operating expenses were approximately \$48,832,000 and \$50,106,000 in 2013 and 2012, respectively.

Nemours allocates depreciation of approximately \$2,735,000 and \$2,510,000 to AIDHC which is included in depreciation expense in 2013 and 2012, respectively. Additionally, AIDHC is allocated expenses related to professional liability insurance from Nemours (note 12(a)).

AIDHC had amounts due from Nemours of approximately \$1,544,000 and \$4,646,000 at December 31, 2013 and 2012, respectively.

As part of the cash management system, AIDHC made distributions to Nemours of approximately \$88,658,000 and \$61,448,000 representing cash generated from operations in 2013 and 2012, respectively.

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AIDHC received distributions from Nemours of approximately \$103,281,000 and \$73,282,000 to fund the purchase of property and equipment in 2013 and 2012, respectively

**(9) Lease Commitments**

AIDHC leases certain equipment under cancelable and noncancelable operating leases. Rental expense relating to these leases was approximately \$1,811,000 and \$1,359,000 in 2013 and 2012, respectively. Minimum future rentals on existing noncancelable operating leases as of December 31, 2013 are as follows:

Year ending December 31	
2014	\$ 1,558,570
2015	1,558,466
2016	1,392,758
2017	1,026,369
2018	870,007
	<u>\$ 6,406,170</u>

**(10) Functional Expenses**

AIDHC provides healthcare services to residents within its geographic region and research and educational activities. Expenses in 2013 and 2012 related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Healthcare services	\$ 341,871,369	335,286,979
Research	2,516,618	2,494,732
Education	6,451,279	7,291,965
	<u>\$ 350,839,266</u>	<u>345,073,676</u>

Expenses associated with occupying and maintaining the organization's facilities have been allocated to the respective functional area based on the square footage of space occupied by each program and supporting service.

**(11) Fair Value Measurements**

Fair value guidance defines fair value as the exit price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. It requires investments to be grouped into three categories based on certain criteria as noted below.

- Level 1. Fair value is determined by using quoted prices for identical assets or liabilities in active markets.

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- Level 2 Fair value is determined by using other than quoted prices that are observable for the asset (e.g., quoted prices for identical assets in inactive markets, quoted prices for similar assets in active markets, observable inputs other than quoted prices, and inputs derived principally from or corroborated by observable market data by correlation or other means)
- Level 3 Fair value is determined by using inputs based on management assumptions that are not directly observable

AIDHC's policy is to recognize transfers in and transfers out of the different levels as of the actual date of the event or circumstance that caused the transfer. No transfers occurred between Level 1 and Level 2 for the years ended December 31, 2013 and 2012.

The tables below summarize the fair values of AIDHC's significant financial assets and liabilities as of December 31, 2013 and 2012.

		Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2013			
Assets				
Cash and cash equivalents	\$ 52,511,549	52,511,549	—	—
U.S. Treasury bills, notes, and bonds	19,356,461	—	19,356,461	—
Corporate bonds and notes	78,198,100	—	78,198,100	—
U.S. government mortgage obligations	3,570,839	—	3,570,839	—
Interest receivable	839,847	839,847	—	—
	<u>\$ 154,476,796</u>	<u>53,351,396</u>	<u>101,125,400</u>	<u>—</u>

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December 31, 2013 and 2012

		Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2012			
Assets				
Cash and cash equivalents	\$ 34,161.915	34,161.915	—	—
U S Treasury bills, notes, and bonds	66,863.041	—	66,863.041	—
Corporate bonds and notes	55,634.630	—	55,634.630	—
U S government mortgage obligations	12,416.161	—	12,416.161	—
U S government agencies	4,002.040	—	4,002.040	—
Interest receivable	709.116	709.116	—	—
	<u>173,786.903</u>	<u>34,871.031</u>	<u>138,915.872</u>	<u>—</u>
Collateral received for security lending transactions	<u>2,332.194</u>	<u>—</u>	<u>2,332.194</u>	<u>—</u>
	<u>\$ 176,119.097</u>	<u>34,871.031</u>	<u>141,248.066</u>	<u>—</u>
Liabilities				
Liabilities under security lending transactions	\$ <u>2,332.194</u>	<u>—</u>	<u>2,332.194</u>	<u>—</u>

Level 1 assets and liabilities include cash and cash equivalents and interest receivable and are valued at the quoted market prices

Level 2 assets include investments in U.S. Treasury bills, notes, and bonds, corporate bonds and notes, and government mortgage obligations with fair values modeled by external pricing vendors

AIDHC did not have any Level 3 assets as of December 31, 2013 and 2012

Estimates of fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates

**(12) Contingencies**

**(a) Professional and Patient Care Liability Insurance**

Effective February 22, 1993, Nemours established a self-insurance trust fund to provide for losses sustained on professional and patient care liability claims reported and incurred but not reported



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December 31, 2013 and 2012

during the period subsequent to the effective date. The self-insurance trust fund is administered by a trustee and provides for the first layer of coverage of professional and patient care liability for AIDHC. Professional insurance consultants have been utilized to determine funding requirements for this first layer. The self-insurance trust fund is reported as assets whose use is limited in the combined balance sheets of Nemours. Nemours has purchased a policy to cover claims occurring prior to but reported subsequent to February 22, 1993.

Excess policy coverage has been purchased from an unrelated insurance company for losses exceeding the self-insurance trust fund's retention and for claims occurring prior to February 18, 2002. During 2002, Nemours formed a wholly owned captive insurance company, Dornoch-Sutherland Assurance, Ltd (Dornoch). With the establishment of Dornoch, effective February 18, 2002, Nemours' excess policy coverage for losses exceeding the self-insurance trust fund's retention has been secured through Dornoch and other unrelated insurance companies. The responsibility for funding these risks lies with Nemours and in the opinion of management, after consultation with legal counsel and risk management experts, these matters will be resolved without a material adverse effect on the financial position of AIDHC or Nemours.

Professional liability insurance expense allocated to AIDHC by Nemours was approximately \$2,920,000 and \$1,165,000 for the years ended December 31, 2013 and 2012, respectively, and is included in insurance expense in the accompanying statements of operations. Nemours allocates professional liability insurance expense based on the relative risks of the various operating divisions based on information from unrelated insurance companies.

Self-insurance liability expense for workers' compensation allocated to AIDHC by Nemours was approximately \$589,000 and \$725,000 for the years ended December 31, 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

Self-insurance liability expense for health insurance allocated to AIDHC by Nemours was approximately \$15,434,000 and \$13,052,000 for the years ended December 31, 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

**(b) Self-Insurance Reserve**

In 2012, AIDHC has assumed responsibility for providing workers' compensation for all eligible contractors and subcontractors working on the inpatient facility project by establishing an Owner Controlled Insurance Program (OCIP). The program is managed and administered by an independent third-party. The reserve for the OCIP was approximately \$36,000 and \$15,000 as of December 31, 2013 and 2012, respectively.

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Notes to Financial Statements

December 31, 2013 and 2012

**(c) *Litigation***

AIDHC is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on AIDHC's financial position.

**(d) *Conditional Asset Retirement Obligation***

AIDHC has buildings that were constructed with certain asbestos products that, based on regulations, may require special handling and disposal if AIDHC undergoes major renovations. An asset retirement obligation has not been recorded as the fair value cannot be reasonably estimated. No activity requiring special treatment has occurred in the current year and no such activity is currently planned in future periods.

**(e) *Healthcare Industry***

The healthcare industry is highly regulated, and no reassurance exists that the regulatory environment in which AIDHC operates will not change significantly and adversely in the future. In general, regulation of healthcare providers and companies is increasing.

Federal and state laws regulate the healthcare industry, the relationship between hospitals and physicians, and the relationship among physicians and other providers of healthcare services.

**(13) *Subsequent Events***

AIDHC evaluated events subsequent through April 29, 2014, the date on which the financial statements were available for issuance.



**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

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KPMG LLP  
Suite 1100  
Independent Square  
One Independent Drive  
Jacksonville, FL 32202

## **Independent Auditors' Report**

The Board of Directors  
The Nemours Foundation

We have audited the accompanying financial statements of Nemours Children's Hospital, an operating division of The Nemours Foundation, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 from material misstatement, whether due to fraud or error.

### ***Auditors' 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 financial position of Nemours Children's Hospital, an operating division of The Nemours Foundation, as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U S generally accepted accounting principles

KPMG LLP

Jacksonville, Florida  
April 29, 2014  
Certified Public Accountants

**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Balance Sheets

December 31, 2013 and 2012

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Current assets		
Cash	\$ 1,750	1,750
Patient accounts receivable, less allowances for doubtful accounts of approximately \$3,835,000 in 2013 and \$0 in 2012	8,980,019	4,044,579
Assets whose use is limited	—	9,796,425
Supplies	1,134,434	1,234,272
Prepaid expenses and other current assets	811,437	852,773
Due from Nemours	10,028,202	5,924,214
Total current assets	<u>20,955,842</u>	<u>21,854,013</u>
Temporarily restricted pledges receivable, net	451,887	563,072
Property and equipment		
Land and land improvements	50,966,461	50,451,101
Buildings and improvements	293,399,525	284,349,014
Equipment	88,606,957	84,660,291
	432,972,943	419,460,406
Less accumulated depreciation	<u>(25,165,189)</u>	<u>(6,379,948)</u>
	407,807,754	413,080,458
Construction in progress	<u>869,446</u>	<u>7,516,678</u>
	408,677,200	420,597,136
Other assets	<u>1,847,296</u>	<u>1,905,013</u>
	<u>\$ 431,932,225</u>	<u>444,919,234</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 11,270,003	16,052,545
Accrued compensation and benefits	3,053,002	2,712,494
Current portion of long-term debt	6,095,000	30,450,000
Deferred revenue	19,950	24,134
Total current liabilities	<u>20,437,955</u>	<u>49,239,173</u>
Self-insurance reserves	122,937	97,344
Long-term debt, net of current portion	<u>288,979,400</u>	<u>270,574,215</u>
Total liabilities	<u>309,540,292</u>	<u>319,910,732</u>
Net assets		
Unrestricted	120,753,691	123,625,135
Temporarily restricted	<u>1,638,242</u>	<u>1,383,367</u>
Total net assets	<u>122,391,933</u>	<u>125,008,502</u>
	<u>\$ 431,932,225</u>	<u>444,919,234</u>

See accompanying notes to financial statements

**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Statements of Operations

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues and other support.		
Patient service revenue (net of contractual allowances and discounts)	\$ 56,920,656	4,146,234
Provision for bad debts	(2,688,671)	—
Net patient service revenue less provision for bad debts	54,231,985	4,146,234
Net assets released from restrictions used for operations	42,695	28,709
Investment income	—	122,733
Contracted services revenue	145,123	2,600
Grant revenue	113,318	80,398
Other	305,629	122,833
Total operating revenues	<u>54,838,750</u>	<u>4,503,507</u>
Operating expenses		
Salaries and benefits	54,701,078	32,667,299
Professional fees	3,663,621	3,405,789
Supplies	13,036,264	8,843,697
Repairs and maintenance	3,098,216	1,905,480
Purchased services	7,888,689	4,207,097
Depreciation	20,238,709	6,212,996
Rent and lease	1,338,830	1,045,067
Utilities and telephone	4,029,642	3,493,586
Insurance	1,978,241	462,636
Interest	9,110,136	2,904,851
Advertising	1,858,543	2,330,019
Other	2,305,647	3,600,091
Total operating expenses	<u>123,247,616</u>	<u>71,078,608</u>
Operating loss	(68,408,866)	(66,575,101)
Net assets released for capital purchases	349,101	1,078,358
Distributions from Nemours for operations	54,660,119	69,947,438
Distributions from Nemours for capital	10,528,202	99,255,520
(Decrease) increase in unrestricted net assets	<u>\$ (2,871,444)</u>	<u>103,706,215</u>

See accompanying notes to financial statements



**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Statements of Changes in Net Assets

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets.		
Operating loss	\$ (68,408,866)	(66,575,101)
Net assets released for capital purchases	349,101	1,078,358
Distributions from Nemours for operations	54,660,119	69,947,438
Distributions from Nemours for capital	10,528,202	99,255,520
	<u>(2,871,444)</u>	<u>103,706,215</u>
(Decrease) increase in unrestricted net assets		
Temporarily restricted net assets		
Net assets released from restrictions used for operations	(42,695)	(28,709)
Net assets released for capital purchases	(349,101)	(1,078,358)
Contributions	641,473	593,207
Transfers from Nemours	5,198	7,000
	<u>254,875</u>	<u>(506,860)</u>
Increase (decrease) in temporarily restricted net assets		
(Decrease) increase in net assets	(2,616,569)	103,199,355
Net assets, beginning of year	<u>125,008,502</u>	<u>21,809,147</u>
Net assets, end of year	<u>\$ 122,391,933</u>	<u>125,008,502</u>

See accompanying notes to financial statements

**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Statements of Cash Flows

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (2,616,569)	103,199,355
Adjustments to reconcile change in net assets to net cash used in operating activities		
Distributions from Nemours, net	(65,188,321)	(169,202,958)
Transfers from Nemours	(5,198)	(7,000)
Premium amortization	(274,815)	(252,729)
Depreciation	20,238,709	6,212,996
Net realized and unrealized gains on investments	—	(122,733)
Net loss on disposal of property and equipment	5,435	—
Provision for bad debts	2,688,671	—
Restricted contributions received	(641,473)	(593,207)
Increase in patient accounts receivable	(7,624,111)	(4,044,579)
Decrease (increase) in supplies	99,838	(1,234,272)
Decrease (increase) in prepaid expenses and other current assets	41,336	(361,252)
Decrease in pledges receivable, net	111,185	452,798
Decrease in other assets	57,717	5,151
Decrease in accounts payable and accrued expenses	(5,604,546)	(16,562,684)
Increase in accrued compensation and benefits	340,508	2,154,924
Decrease in deferred revenue	(4,184)	(8,183)
Increase (decrease) in self-insurance reserves	25,593	(48,241)
Net cash used in operating activities	<u>(58,350,225)</u>	<u>(80,412,614)</u>
Cash flows from investing activities		
Purchases of property and equipment	(6,086,546)	(96,174,107)
Sale of investments in assets whose use is limited	9,796,425	27,875,367
Proceeds from sale of property and equipment	36,869	—
Net cash provided by (used in) investing activities	<u>3,746,748</u>	<u>(68,298,740)</u>
Cash flows from financing activities		
Repayment of long-term debt	(5,675,000)	—
Distributions from Nemours	54,660,119	148,112,397
Distributions from Nemours to finance capital projects	4,971,687	—
Restricted contributions	641,473	593,207
Transfers from Nemours	5,198	7,000
Net cash provided by financing activities	<u>54,603,477</u>	<u>148,712,604</u>
Increase in cash	—	1,250
Cash, at beginning of year	1,750	500
Cash, at end of year	<u>\$ 1,750</u>	<u>1,750</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 8,339,675	8,481,183
Change in construction in progress in accounts payable	822,004	6,677,076

See accompanying notes to financial statements

**NEMOURS CHILDREN'S HOSPITAL**  
(An Operating Division of The Nemours Foundation)

Notes to Financial Statements

December 31, 2013 and 2012

**(1) Significant Accounting Policies**

**(a) Organization**

Nemours Children's Hospital (NCH) is an operating division of The Nemours Foundation (Nemours), which opened on October 22, 2012. NCH is located in Orlando, Florida and its principal operations consist of a full-service, 100-bed children's hospital. Nemours is providing substantial funding for the operation of NCH. With the exception of Medicaid, there are no significant federal or state program funds through healthcare entitlement programs that are currently accepted by NCH.

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on NCH as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as unrestricted and temporarily restricted as follows.

- Unrestricted net assets are resources generated from operations, unrestricted donations, and lapse of temporary restrictions and are not subject to donor-imposed stipulations.
- Temporarily restricted net assets are those whose use by NCH has been limited by donors to a specific time period or purpose.
- Permanently restricted net assets have been restricted by donors to be maintained by NCH in perpetuity. NCH had no permanently restricted net assets at December 31, 2013 and 2012.

**(b) Use of Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Concentrations of Credit Risk**

Financial instruments, which potentially expose NCH to concentrations of credit risk, consist primarily of patient accounts receivable. NCH has not experienced significant losses related to receivables from individual customers or groups of customers in a particular industry or geographic area. Due to these factors, management believes no additional credit risk beyond amounts provided for collection losses are inherent in NCH's patient accounts receivable.

**(d) Community Benefit**

NCH has policies providing financial assistance for patients requiring care but who have limited or no means to pay for that care. These policies provide free or discounted health and health-related services to patients who qualify under certain income and asset criteria. Because NCH does not pursue collection of amounts determined to qualify for financial assistance, they are not reported as net patient service revenue. NCH maintains records to identify and monitor levels of financial assistance it provides. Charges foregone for services provided under NCH's financial assistance

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policy as a percentage of total charges for the years ended December 31, 2013 and 2012 was 2.7% and less than 1%, respectively.

**(e) Patient Accounts Receivable**

Patient accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be **uncollectible based upon management's assessment of individual accounts**. In evaluating the collectability of patient accounts receivable, NCH analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. For receivables associated with services provided to patients who have third-party coverage (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), NCH analyzes contractual amounts due and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, NCH records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

NCH routinely adjusts its allowance for doubtful accounts based on historical collection rates. NCH has not changed its financial assistance policy in 2013.

**(f) Supplies**

Supplies are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.

**(g) Assets Whose Use is Limited**

Assets whose use is limited include assets held by the trustee under bond indenture for principal payments. These assets consist of cash, cash equivalents, and investments as described in note 3.

**(h) Debt Issue Costs**

Debt issue costs, net of accumulated amortization of \$247,000 and \$189,000, were approximately \$1,500,000 and \$1,558,000 as of December 31, 2013 and 2012, respectively, and are included in other assets in the accompanying balance sheets. Debt issue costs are being amortized using the straight-line method over the life of the related debt, which approximates the effective-interest method. Amortization of debt issue costs during the construction period of \$44,000 has been capitalized and is included in the balance sheet as of December 31, 2012. Amortization of debt issue costs for completed projects is included in interest expense in the statements of operations during the year ended December 31, 2013.

**(i) Bond Premiums**

Bond premiums are amortized using the effective interest method over the life of the related debt. Bond premiums, net of accumulated amortization of approximately \$1,048,000 and \$773,000, were

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approximately \$8,159,000 and \$8,434,000 and are included with the related debt on the combined balance sheets at December 31, 2013 and 2012, respectively

**(j) *Property and Equipment***

Property and equipment have been recorded at historical cost at the date of acquisition or fair value at the date of donation. Major asset classifications and useful lives are generally in accordance with those recommended by the American Hospital Association and range from 3 to 40 years. The straight-line method of computing depreciation is used for all depreciable assets.

Construction in progress at December 31, 2013 consists primarily of amounts expended toward capital improvements. The remaining commitment at December 31, 2013 on the various ongoing capital projects was approximately \$8,000,000.

Construction in progress at December 31, 2012 consists primarily of amounts expended toward the construction of NCH. At December 31, 2012, the remaining commitment on the various ongoing capital projects was approximately \$4,500,000.

Interest costs incurred during the construction period on borrowings for specified construction projects, net of investment income on tax-exempt bond proceeds, are capitalized. Interest costs of approximately \$6,463,000, net of investment income, were capitalized during the year ended December 31, 2012. No interest costs were capitalized during the year ended December 31, 2013.

**(k) *Net Patient Service Revenue***

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

**(l) *Grant and Deferred Revenue***

NCH defers recognition of grant revenue received from outside parties until expenditures are incurred or patients are seen.

**(m) *Cash Management***

Under Nemours' cash management system, receipts are deposited daily into a centralized cash management bank account and funds are transferred into appropriate accounts as disbursement and payroll checks clear the bank. As these functions are centralized, there is minimal cash reflected in NCH's balance sheets. Cash requirements not met through normal operations are funded by Nemours.

**(n) *Impairment of Long-Lived Assets***

Management regularly evaluates whether events or changes in circumstances have occurred that could indicate an impairment in the value of long-lived assets. If there is an indication that the carrying amount of an asset is not recoverable, NCH estimates the projected undiscounted cash flows, excluding interest, to determine if an impairment loss should be recognized. The amount of impairment loss, if any, is determined by comparing the historical carrying value of the asset to its

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estimated fair value. During the years ended December 31, 2013 and 2012, no impairment losses were recognized.

In addition to consideration of impairment upon the events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are revised, the carrying value of affected assets is depreciated or amortized over the remaining lives. No such adjustments were recorded during the years ended December 31, 2013 and 2012.

**(o) Fair Value Measurements**

NCH follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, for fair value measurements and disclosures of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value 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. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 11).

**(p) Operating Income**

The statements of operations includes operating income. Transactions deemed by NCH to be ongoing, major, or central to the provision of services are reported as elements of operating income.

**(q) Income Taxes**

NCH does not provide for income taxes, as Nemours is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). NCH is also exempt from state income taxes.

**(r) Pledges Receivable**

NCH reports unconditional promises to give as contributions. If pledges are expected to be collected in less than one year, they are recorded at the estimated amount to be ultimately realized. If pledges are to be paid to the organization over a period of years, they are recorded at the present value of their estimated cash flows using the prime rate as of the date of the donation. Amortization of discounts is included in contribution revenue. The allowance for uncollectible pledges receivable is determined based on management's evaluation of the collectibility of individual promises. Pledges that remain uncollected more than one year after their due date are written off unless the donors indicate that payment is merely postponed.

**(s) Reclassifications**

Certain reclassifications are reflected in the 2012 financial statements to conform to the 2013 presentation.

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**(2) Net Patient Service Revenue**

NCH has agreements with third-party payors that provide for payment at amounts different from established rates. The basis for payment under certain commercial insurance carriers, health maintenance organizations, preferred provider organization agreements and for Medicaid program beneficiaries include prospectively determined rates per procedure, discounts from established charges, and prospectively determined per diem rates through July 2013 and thereafter, diagnosis related based group

Net patient service revenue consists of the following for the years ended December 31, 2013 and 2012

	<b>2013</b>	<b>2012</b>
Gross patient charges	\$ 169,308,654	19,615,726
Contractual adjustments	(112,387,998)	(15,469,492)
Provision for bad debts	(2,688,671)	—
Net patient service revenue	<u>\$ 54,231,985</u>	<u>4,146,234</u>

The 2013 gross patient charges comprise of the following

	<b>Percentage inpatient revenue</b>	<b>Percentage outpatient revenue</b>	<b>Percentage total revenue</b>
Payor			
Managed Care	35%	36%	36%
Medicaid – Managed Care	46	51	49
Medicaid – Traditional	15	8	11
Other	4	5	4
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

The 2012 gross patient charges comprise of the following

	<b>Percentage inpatient revenue</b>	<b>Percentage outpatient revenue</b>	<b>Percentage total revenue</b>
Payor			
Managed Care	42%	39%	41%
Medicaid – Managed Care	37	46	41
Medicaid – Traditional	9	7	8
Other	12	8	10
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

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***Medicaid***

NCH became Medicare and Medicaid certified effective November 30, 2012. Medicare revenues are minimal due to the fact that NCH serves a population of children who generally do not qualify for Medicare coverage. Medicaid is a significant payor for NCH. Florida Medicaid reimbursement for inpatient services was based upon a per diem rate until July 2013 and thereafter based on a diagnosis-related group. Florida Medicaid reimbursement for outpatient services is based on an occasion of service rate. Due to provisions in the NCH Certificate of Need agreement, outpatient rates are equal to the average of the other Florida free standing children's hospital Medicaid rates.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. As a result, a possibility exists that recorded estimates associated with this program will change. Nemours believes it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future governmental review and interpretation.

***Other Payors***

Nemours has also entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these arrangements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates. Some of these arrangements provide for review of paid claims for compliance with the terms of the contract and result in retroactive settlement with third parties. Retroactive adjustments for other third-party claims are recorded in the period when final settlement is determined.

**(3) Assets Whose Use is Limited**

Assets whose use is limited consist of assets held by the trustee under bond indenture for principal payments.

Assets whose use is limited of \$9,796,425, at December 31, 2012, are comprised of cash and cash equivalents. No assets whose use is limited were held at December 31, 2013.

Investment return on assets whose use is limited for the year ended December 31, 2012 includes unrealized gains of \$122,733.

**(4) Long-Term Debt**

On October 15, 2009, the Orange County Health Facilities Authority issued \$167,035,000 in tax-exempt, fixed rate bonds (Series 2009A bonds), \$100,000,000 in tax-exempt, variable rate demand bonds (Series 2009B bonds), and \$25,555,000 in tax-exempt, variable rate demand bonds (Series 2009C1 bonds), collectively referred to as the 2009 bonds. The Series 2009 A, B and C1 bonds were issued for the purpose of providing funds, which, together with other available funds, were used (a) to finance a portion of the cost of the acquisition, construction, installation, and equipping of NCH, an outpatient clinic, and related facilities, equipment, fixtures, and furnishings and (b) to pay certain expenses of issuing the 2009 bonds.



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The Series 2009A bonds were issued at fixed rates between 4% and 5% and mature in various years beginning January 1, 2013 through January 1, 2039. The estimated fair value of the Series 2009A bonds at December 31, 2013 and 2012 was approximately \$171,493,000 and \$182,339,000, respectively.

The Series 2009B bonds mature in various years beginning January 1, 2013 through January 1, 2037. The estimated fair value of the Series 2009B bonds was approximately \$96,990,000 and \$100,000,000 with an interest rate of 0.06% and 0.14% at December 31, 2013 and 2012, respectively. The Series 2009B bonds are supported by a \$98,106,050 irrevocable direct pay letter of credit issued by The Northern Trust Company to provide security for the payment of the principal amount, and premium, if any, plus accrued unpaid interest through December 20, 2016.

The Series 2009C1 bonds mature in various years beginning January 1, 2013 through January 1, 2039. The estimated fair value of the outstanding principal of the Series 2009C1 bonds was approximately \$24,775,000 and \$25,555,000 with an interest rate of 0.06% and 0.14% at December 31, 2013 and 2012, respectively. Executed February 1, 2014, the Series 2009C1 bonds are supported by a \$47,742,965 irrevocable direct pay letter of credit issued by Wells Fargo Bank, N.A. to provide security for the payment of the principal amount, and premium, if any, plus accrued unpaid interest through February 3, 2017.

The principal and interest payments for The Series 2009 A, B and C1 bonds are unsecured general obligations of Nemours.

The master trust agreements and related documents for the Florida Authority Bonds contain certain covenants and restrictions with which Nemours is required to comply. Noncompliance with any of these covenants or the occurrence of any other event of default, if not waived or corrected, could accelerate the maturity of the borrowings outstanding under the indenture. Management believes that Nemours is in compliance with such covenants at December 31, 2013 and 2012.

Long-term debt attributed to NCH consists of the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Orange County Health Facilities Authority Revenue Bonds		
The Nemours Foundation Project, Series 2009A, including unamortized premium of \$8,159,400 and \$8,434,215 at December 31, 2013 and 2012, respectively	\$ 173,309,400	175,469,215
The Nemours Foundation Project, Series 2009B	96,990,000	100,000,000
The Nemours Foundation Project, Series 2009C1	24,775,000	25,555,000
	<u>295,074,400</u>	<u>301,024,215</u>
Less current portion of long-term debt	<u>(6,095,000)</u>	<u>(30,450,000)</u>
Long-term debt, less current portion	<u>\$ 288,979,400</u>	<u>270,574,215</u>

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Scheduled principal repayments of long-term debt as of December 31, 2013 are as follows

2014	\$ 6,095,000
2015	6,155,000
2016	6,565,000
2017	6,750,000
2018	6,960,000
Thereafter	<u>254,390,000</u>
	286,915,000
Unamortized premium	<u>8,159,400</u>
	<u><u>\$ 295,074,400</u></u>

In accordance with ASC 470, *Debt*, variable demand rate obligations are classified as current, unless certain criteria are met, such as a liquidation facility that extends beyond one year from the date of the balance sheets. As of December 31, 2012, the principal and interest related to the Series 2009C1 variable rate demand bonds did not have such a liquidation facility, and as such, they were classified as current portion of long-term debt in the accompanying balance sheets. As discussed above, Nemours entered into an irrevocable direct pay letter of credit in 2014, as such the related debt is classified as long-term as of December 31, 2013.

**(5) Restricted Net Assets**

NCH has temporarily restricted gifts from donors in the amount of \$1,638,242 and \$1,383,367 at December 31, 2013 and 2012, respectively. Net assets were released from donor restrictions by incurring costs satisfying various restricted operating and capital purposes of approximately \$392,000 and \$1,107,000 in 2013 and 2012, respectively.

**(6) Pension Plans**

**(a) Defined Contribution Plan**

NCH participates in a defined contribution plan (403(b) Plan) sponsored by Nemours. The 403(b) Plan covers substantially all employees. Nemours formalized its existing 403(b) Plan to include base contribution and employer match provisions. NCH's contribution to the 403(b) Plan was approximately \$1,229,000 and \$563,000 in 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

**(b) Noncontributory Defined Benefit Pension Plan**

NCH also participates in a noncontributory defined benefit pension plan (the Plan) sponsored by Nemours. Effective January 1, 2010, Nemours closed the Plan to new participants. The Plan's expense allocated to NCH was approximately \$228,000 and \$838,000 in 2013 and 2012, respectively. These amounts are included in salaries and benefits expense in the accompanying statements of operations.

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**(7) Concentrations of Credit Risk**

NCH grants credit without collateral to its patients, most of whom are local patients and are insured under third-party payor agreements. The percentages of receivables from patients and third-party payors at December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Managed Care	27%	41%
Medicaid – Managed Care	35	41
Medicaid – Traditional	13	8
Other	25	10
	<u>100%</u>	<u>100%</u>

**(8) Transactions with Affiliated Organizations**

Nemours provides certain services to NCH based on allocated costs. Such amounts included in operating expenses were approximately \$25,938,000 and \$19,293,000 in 2013 and 2012, respectively.

Nemours allocated depreciation of approximately \$1,453,000 and \$967,000 which is included in depreciation expense in 2013 and 2012, respectively. Additionally, NCH is allocated expenses related to professional liability insurance from Nemours (note 12(a)).

At December 31, 2013 and 2012, NCH had amounts due from Nemours of approximately \$10,028,000 and \$5,924,000, respectively.

As part of the cash management system in 2013 and 2012, NCH received distributions from Nemours of approximately \$54,660,000 and \$69,947,000 to fund operations and \$10,528,000 and \$99,256,000, respectively, to fund the purchase of property and equipment. Such distributions were made available to Nemours through the release of temporarily restricted amounts of \$45,000,000 and \$123,000,000 from the Edward Ball fund for the years ended December 31, 2013 and 2012, respectively. Nemours has committed to continue to provide continued financial support to NCH.

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**(9) Lease Commitments**

NCH leases certain equipment under cancelable and noncancelable operating leases. Rental expense relating to these leases was approximately \$1,007,000 and \$822,000 in 2013 and 2012, respectively. Minimum future rentals on existing noncancelable operating leases as of December 31, 2013 are as follows:

Year ending December 31	
2014	\$ 982,449
2015	932,030
2016	377,426
2017	251,618
	\$ 2,543,523

**(10) Functional Expenses**

NCH provides healthcare services to residents within its geographic region and research and educational activities. Expenses in 2013 and 2012 related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Healthcare services	\$ 122,494,203	70,352,490
Fund-raising	753,413	726,118
	\$ 123,247,616	71,078,608

Expenses associated with occupying and maintaining the organization's facilities have been allocated to the respective functional area based on the square footage of space occupied by each program and supporting service.

**(11) Fair Value Measurements**

Fair value guidance defines fair value as the exit price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. It requires investments to be grouped into three categories based on certain criteria as noted below:

- Level 1: Fair value is determined by using quoted prices for identical assets or liabilities in active markets.
- Level 2: Fair value is determined by using other than quoted prices that are observable for the asset (e.g., quoted prices for identical assets in inactive markets, quoted prices for similar assets in active markets, observable inputs other than quoted prices, and inputs derived principally from or corroborated by observable market data by correlation or other means).

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- Level 3 Fair value is determined by using inputs based on management assumptions that are not directly observable

NCH's policy is to recognize transfers in and transfers out of the different levels as of the actual date of the event or circumstance that caused the transfer. No transfers occurred between Level 1 and Level 2 for the year ended December 31, 2012.

The table below summarizes the fair values of NCH's significant financial assets as of December 31, 2012.

		Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2012			
Assets				
Cash and cash equivalents	\$ 9,796,425	9,796,425	—	—
	\$ 9,796,425	9,796,425	—	—

Level 1 assets and liabilities include cash and cash equivalents and are valued at the quoted market prices.

NCH did not have any Level 2 or 3 assets as of December 31, 2013 and 2012.

Estimates of fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates.

## (12) Contingencies

### (a) Professional and Patient Care Liability Insurance

Effective February 22, 1993, Nemours established a self-insurance trust fund to provide for losses sustained on professional and patient care liability claims reported and incurred but not reported during the period subsequent to the effective date. The self-insurance trust fund is administered by a trustee and provides for the first layer of coverage of professional and patient care liability for NCH. Professional insurance consultants have been utilized to determine funding requirements for this first layer. The self-insurance trust fund is reported as assets whose use is limited in the combined balance sheets of Nemours. Nemours has purchased a policy to cover claims occurring prior to but reported subsequent to February 22, 1993.

Excess policy coverage has been purchased from an unrelated insurance company for losses exceeding the self-insurance trust fund's retention and for claims occurring prior to February 18, 2002. During 2002, Nemours formed a wholly owned captive insurance company.

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Dornoch-Sutherland Assurance, Ltd (Dornoch) With the establishment of Dornoch, effective February 18, 2002, Nemours' excess policy coverage for losses exceeding the self-insurance trust fund's retention has been secured through Dornoch and other unrelated insurance companies. The responsibility for funding these risks lies with Nemours and in the opinion of management, after consultation with legal counsel and risk management experts, these matters will be resolved without a material adverse effect on the financial position of NCH or Nemours

Professional liability expense allocated to NCH by Nemours for the year ended December 31, 2013 was \$1,249,000. No professional liability insurance expense was allocated to NCH by Nemours for the year ended December 31, 2012. Nemours allocates professional liability insurance expense based on the relative risks of the various operating divisions based on information from unrelated insurance companies

Self-insurance liability expense for workers' compensation allocated to NCH by Nemours was approximately \$147,000 and \$108,000 for the years ended December 31, 2013 and 2012, respectively. This amount is included in salaries and benefits expense in the accompanying statements of operations

Self-insurance liability expense for health insurance allocated to NCH by Nemours was approximately \$4,039,000 and \$1,718,000 for the years ended December 31, 2013 and 2012, respectively. This amount is included in salaries and benefits expense in the accompanying statements of operations

**(b) Self-insurance Reserve**

In 2010, NCH assumed responsibility for providing workers' compensation for all eligible contractors and subcontractors working on the hospital construction project by establishing an Owner Controlled Insurance Program (OCIP). The program is managed and administered by an independent third-party. The reserve for the OCIP was approximately \$123,000 and \$97,000 as of December 31, 2013 and 2012, respectively.

**(c) Litigation**

NCH is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on NCH's financial position.

**(d) Healthcare Industry**

The healthcare industry is highly regulated, and no reassurance exists that the regulatory environment in which NCH operates will not change significantly and adversely in the future. In general, regulation of healthcare providers and companies is increasing.

Federal and state laws regulate the healthcare industry, the relationship between hospitals and physicians, and the relationship among physicians and other providers of healthcare services.

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**(13) Subsequent Events**

NCH evaluated events subsequent through April 29, 2014, the date on which the financial statements were available for issuance