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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 ▶ Information about Form 990 and its instructions is at www.irs.gov/form990	OMB No 1545-0047 2015 Open to Public Inspection
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A For the 2015 calendar year, or tax year beginning 01-01-2015 , and ending 12-31-2015			
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization Children's Health Care		D Employer identification number 41-1754276
	% Todd Ostendorf CFO		E Telephone number (612) 813-6000
	Doing business as Children's Hospitals & Clinics of MN		
	Number and street (or P O box if mail is not delivered to street address) Room/suite 2525 Chicago Avenue South		G Gross receipts \$ 1,544,375,200
	City or town, state or province, country, and ZIP or foreign postal code Minneapolis, MN 554041844		
F Name and address of principal officer Todd Ostendorf CFO 2525 Chicago Avenue South Minneapolis, MN 554041844		H(a) Is this a group return for subordinates? ☐ Yes ☒ No	
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527		H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list (see instructions)	
J Website: ▶ www.childrensmn.org		H(c) Group exemption number ▶	
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1995	M State of legal domicile MN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Children's Hospitals and Clinics of MN Champions the special needs of children		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	5,347
	6 Total number of volunteers (estimate if necessary)	6	1,749
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	-1,218,493
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-1,310,31
Revenue		Prior Year	Current Year
	8 Contributions and grants (Part VIII, line 1h)	30,041,265	28,809,46
	9 Program service revenue (Part VIII, line 2g)	710,470,365	745,071,50
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,676,121	23,922,25
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,833,427	3,723,33
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	768,021,178	801,526,55
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	695,815	4,093,48
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	408,382,792	425,221,49
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ☐ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	301,792,309	298,923,91
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	710,870,916	728,238,89
	19 Revenue less expenses Subtract line 18 from line 12	57,150,262	73,287,66
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		1,127,600,949	1,136,462,62
21 Total liabilities (Part X, line 26)		423,655,332	387,458,23
22 Net assets or fund balances Subtract line 21 from line 20		703,945,617	749,004,39

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	2016-11-15 Date
	TODD OSTENDORF CFO Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name Ann K Lamoureux	Preparer's signature Ann K Lamoureux	Date	Check ☐ if self-employed	PTIN P00691316
	Firm's name ▶ KPMG LLP			Firm's EIN ▶	
	Firm's address ▶ 4200 Wells Fargo Ctr 90 S 7th Minneapolis, MN 55402			Phone no (612) 305-5000	

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
Children's Hospitals and Clinics of Minnesota champions the special health needs of children and their families. We are committed to improving children's health by providing family centered pediatric services. We advance these efforts through research and education.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 618,286,540 including grants of \$ 4,093,487) (Revenue \$ 739,222,726)
Hospital program services. Families look to Children's Hospitals and Clinics of Minnesota for the finest in pediatric care. With two pediatric hospital facilities and 428 staffed beds, we champion the special health needs of children and their families and are committed to providing high-quality, family centered pediatric services. The Leapfrog Group's annual list of top hospitals named Children's Hospitals and Clinics of Minnesota's Minneapolis and St. Paul hospitals as two of the top ten pediatric hospitals in the country for quality and efficiency. See Schedule O.

4b (Code) (Expenses \$ 4,054,396 including grants of \$) (Revenue \$ 1,152,825)
Education. Many efforts to improve the health and well-being of children and youth require long-term investment in their future. Children's provides education and training programs for providers, health care students, and other health professionals in the following areas: 1) Community medical education for community physicians. During the 2015 calendar year, Children's provided training to 395 affiliated residents and fellows, and hosted 289 medical student rotations at Children's Minneapolis, Children's St. Paul, or both locations. See Schedule O.

4c (Code) (Expenses \$ 3,773,925 including grants of \$) (Revenue \$ 62,317)
Research. Children's has 448 open research studies, of which 252 are actively recruiting clinical trials. In 2015 Children's received more than \$30 million from industry contacts and federal state and foundation sponsors. Types of studies and trials conducted at Children's are investigator-initiated studies, external multi-center trials, observational studies, registries, and supportive services such as Case Management. Children's had on going research in Emergency/trauma, Cystic fibrosis, Diabetes and endocrinology, Cardiovascular and critical care, Pain and palliative care, Integrative medicine, Genetics, Cancer and blood disorders, and Neonatology ENT and Rehab. See Schedule O.

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e **Total program service expenses** ▶ 626,114,861

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b 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	No
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 domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	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? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.			
	Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	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? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		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? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	475
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	5,347
b	At least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	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: CJ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a 20		
b Enter the number of voting members included in line 1a, above, who are independent	1b 17		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6 Did the organization have members or stockholders?	6		No
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		No
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8a	Yes	
b Each committee with authority to act on behalf of the governing body?	8b	Yes	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed **MN**

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records
Todd Ostendorf CFO 2525 Chicago Avenue South Minneapolis, MN 55404 (612) 813-6129

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

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

Form **990** (2015)

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								12,651,784	261,009	1,720,936

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 745

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Cerner Corporation, PO Box 412702 Kansas City, MO 64141	Hardware/Software	7,710,934
Sodexo Inc Affiliates, 4880 Paysphere Circle Chicago, IL 60674	Nutrition & Envi Svr	4,883,383
Children's Heart Clinic PA, 2530 Chicago Ave S Suite 500 Minneapolis, MN 55404	Physician Services	4,210,872
Conifer Health Solutions LLC, 1500 South Douglas Road Anaheim, CA 92806	Patient Billing	4,179,447
Children's Respiratory Critical C, 2530 Chicago Ave S Suite 400 Minneapolis, MN 55404	Physician Services	4,066,116

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 ► 121

Part VIII

Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514		
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a						
	b	Membership dues	1b						
	c	Fundraising events	1c						
	d	Related organizations	1d	15,224,837					
	e	Government grants (contributions)	1e	13,584,627					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f						
	g	Noncash contributions included in lines 1a-1f \$		2,508,083					
	h	Total. Add lines 1a-1f		28,809,464					
Program Service Revenue	2a	Patient Service Revenue	Business Code 621400	491,127,428	491,127,428				
	b	Medicare/Medicaid payment	621400	208,482,737	208,482,737				
	c	Pharmacy Revenue	621400	1,366,791			1,366,791		
	d	Parking	812930	3,114,245		76,262	3,037,983		
	e	Lab Revenue	621500	40,390,293	40,237,692	152,601			
	f	All other program service revenue		590,011	590,011				
	g	Total. Add lines 2a-2f		745,071,505					
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		16,389,762		-1,447,356	17,837,118	
4		Income from investment of tax-exempt bond proceeds . .		0					
5		Royalties		0					
6a		Gross rents	(i) Real 1,231,900	(ii) Personal					
		b	Less rental expenses	843,447					
		c	Rental income or (loss)	388,453					0
		d	Net rental income or (loss)	388,453					388,453
7a		Gross amount from sales of assets other than inventory	(i) Securities 749,276,965	(ii) Other 260,727					
		b	Less cost or other basis and sales expenses	739,664,287					2,340,908
		c	Gain or (loss)	9,612,678					-2,080,181
		d	Net gain or (loss)	7,532,497					7,532,497
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a		0				
b		Less direct expenses	b						
c		Net income or (loss) from fundraising events . .							
9a		Gross income from gaming activities See Part IV, line 19	a		0				
b		Less direct expenses	b						
c		Net income or (loss) from gaming activities . . .							
10a		Gross sales of inventory, less returns and allowances	a		0				
		b	Less cost of goods sold	b					
		c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code							
11a	Cafeteria	722514	2,257,893			2,257,893			
b	Marketplace	453220	322,197			322,197			
c	Vending machines	722514	25,184			25,184			
d	All other revenue		729,603			729,603			
e	Total. Add lines 11a-11d		3,334,877						
12	Total revenue. See Instructions		801,526,558	740,437,868	-1,218,493	33,497,719			

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 domestic organizations and domestic governments. See Part IV, line 21	392,310	392,310		
2	Grants and other assistance to domestic individuals. See Part IV, line 22	3,701,177	3,701,177		
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	12,063,588	6,376,395	5,687,193	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	324,149,960	286,828,766	37,321,194	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	25,773,231	21,220,655	4,552,576	
9	Other employee benefits	40,734,463	38,055,729	2,678,734	
10	Payroll taxes	22,500,250	19,891,521	2,608,729	
11	Fees for services (non-employees)				
a	Management	2,522,163	2,254,082	268,081	
b	Legal	419,000	8,535	410,465	
c	Accounting	480,014		480,014	
d	Lobbying	168,153		168,153	
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	3,742,740	3,742,740		
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	75,114,845	66,123,859	8,990,986	
12	Advertising and promotion	4,470,864	207,898	4,262,966	
13	Office expenses	9,254,998	6,960,974	2,294,024	
14	Information technology	14,712,403		14,712,403	
15	Royalties	0			
16	Occupancy	16,022,669	13,112,582	2,910,087	
17	Travel	1,805,569	1,420,028	385,541	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	2,104,406	1,796,927	307,479	
20	Interest	9,943,259	9,943,259		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	39,041,659	29,515,231	9,526,428	
23	Insurance	1,399,881	1,399,881		
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	Medical Supplies	69,994,745	69,994,745		
b	MNCare Tax	13,894,748	13,894,748		
c	Medicaid Surcharge	8,940,858	8,940,858		
d	Temp Labor	6,810,012	5,758,906	1,051,106	
e	All other expenses	18,080,926	14,573,055	3,507,871	
25	Total functional expenses. Add lines 1 through 24e	728,238,891	626,114,861	102,124,030	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ 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		9,899,400	1	14,565,775
	2	Savings and temporary cash investments		55,175,471	2	5,533,060
	3	Pledges and grants receivable, net		873,936	3	1,298,214
	4	Accounts receivable, net		101,878,011	4	115,710,800
	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		5,090,778	8	5,851,597
	9	Prepaid expenses and deferred charges		9,878,321	9	10,677,628
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 728,015,877	381,526,459	10c	380,422,583
	b	Less: accumulated depreciation	10b 347,593,294			
	11	Investments—publicly traded securities		438,790,374	11	463,694,958
	12	Investments—other securities. See Part IV, line 11		12,995,259	12	29,757,244
	13	Investments—program-related. See Part IV, line 11		18,917,030	13	19,772,171
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		92,575,910	15	89,178,599
	16	Total assets. Add lines 1 through 15 (must equal line 34)		1,127,600,949	16	1,136,462,629
Liabilities	17	Accounts payable and accrued expenses		102,143,795	17	108,405,397
	18	Grants payable		0	18	0
	19	Deferred revenue		7,975,725	19	2,188,265
	20	Tax-exempt bond liabilities		266,615,784	20	245,437,278
	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		270,618	23	229,236
	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		46,649,410	25	31,198,056
	26	Total liabilities. Add lines 17 through 25		423,655,332	26	387,458,232
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		630,425,954	27	676,847,001
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		73,519,663	29	72,157,396
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		703,945,617	33	749,004,397
	34	Total liabilities and net assets/fund balances		1,127,600,949	34	1,136,462,629

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	801,526,558
2	Total expenses (must equal Part IX, column (A), line 25)	2	728,238,891
3	Revenue less expenses Subtract line 2 from line 1	3	73,287,667
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	703,945,617
5	Net unrealized gains (losses) on investments	5	-31,418,533
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	3,189,646
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	749,004,397

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 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	Yes	
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? 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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: Children's Health Care

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			
Robert Bonar JR Chief Executive Officer	50 0 2 0	X		X				1,002,365	0	198,384
Bruce P Shay Treasurer	10 10	X		X				0	0	0
Cynthia L Leshner Board Member	10 10	X						0	0	0
Greg D Goven Board Member	10 20	X						0	0	0
J Hayes Batson Vice Chair	10 10	X		X				0	0	0
John J McNamara MD Board Member	10 10	X						0	0	0
John Mulligan Board Member	10 00	X						0	0	0
Leonard Snellman MD Board Member	10 10	X						0	0	0
Martin L Bassett Board Member	10 10	X						0	0	0
Mary L Jeffnes Board Member	10 10	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Matt Furman Board Member	1 0 0 0	X						0	0	0
Matt Majka Board Member	1 0 1 0	X						0	0	0
Pamela G Alexander Board Member	1 0 0 0	X						0	0	0
Paul H Marvin Board Member	1 0 0 0	X						0	0	0
Richard J Miglion MD Board Member	1 0 0 0	X						0	0	0
Richard T Murphy Jr Board Member	1 0 0 0	X						0	0	0
Russ Becker Board Chair	1 0 2 0	X		X				0	0	0
Sharon Jaeger MD Board Member	1 0 0 0	X						0	0	0
Stephen C Nelson MD Pediatrician, Board Member	50 0 0 0	X						327,187	0	61,092
Thomas M Tefft Board Member	1 0 1 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Robert Segal Medical Director	50 0 0 0			X				259,461	0	60,460
Alan Goldbloom Chief Executive Officer	50 0 0 0			X				571,478	0	16,600
Alec Mahmood Chief Financial Officer	50 0 0 0			X				578,264	0	30,750
Alice Chernich Sr Dir Clinical SVC Neonatal	50 0 0 0			X				190,093	0	23,120
Becky Bedore Sr Dir Clin Svc - Pediatrics	50 0 0 0			X				180,647	0	39,090
Bjorn Gunnerud VP, Marketing & Communications	50 0 0 0			X				318,819	0	63,390
Carol Koenecke-Grant Chief Strategy Officer	50 0 0 0			X				124,694	0	1,150
Carol Wilcox Senior Hospital Admin	50 0 0 0			X				289,175	0	43,020
David Overman President & Chief Operator	50 0 0 0			X				1,008,078	0	123,360
Glonn Drake Sr Dir Clin Svcs - Periop	50 0 0 0			X				218,632	0	37,940

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			
Jamie Wiggins Sr Dir Clin Svc Critical Care	50 0 0 0			X				81,547	0	4,38
Jeffrey Young Chief Information Officer	50 0 0 0			X				446,894	0	74,44
Jennifer Close Chief Ambulatory Officer	50 0 0 0			X				200,360	0	15,01
Jennifer Olson VP Business Development	50 0 0 0			X				281,712	0	42,97
Mana Chrstu Gen Counsel, VP, Advoc & Hlth	50 0 0 0			X				515,911	0	83,77
Phil Kibort VP Medical Affairs	50 0 0 0			X				821,631	0	42,38
Roxanne Fernandes Chief Nursing Officer	50 0 0 0			X				461,649	0	72,40
Samantha Hanson CHRO	50 0 0 0			X				361,644	0	72,00
Rebecca Woitalewicz Interim CFO	50 0 0 0			X				193,246	0	30,79
Trevor Sawallish Chief Ambulatory Officer	50 0 0 0			X				23,489	0	1,72

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			
Theresa Pesch President, Foundation	25 0 25 0			X				261,009	261,009	76,180
Kathleen Penson Director Access/Systems	50 0 0 0				X			175,357	0	20,500
James Engels Staff Physician	50 0 0 0					X		618,239	0	75,470
Joseph Petronio Surgical Dir, Peds Neurosurg	50 0 0 0					X		891,618	0	62,400
Meysam Kebnaei Staff Physician	50 0 0 0					X		668,341	0	68,150
William Mize Medical Director	50 0 0 0					X		570,240	0	73,900
Barbara Malone Staff Physician	50 0 0 0					X		553,410	0	59,240
Jerry Massmann Former VP of Finance and CFO	0 0 0 0						X	305,255	0	0
David Brumbaugh Former CHR Officer	0 0 0 0						X	151,339	0	146,740

SCHEDULE A
(Form 990 or 990EZ)

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

OMB No 1545-0047
2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Children's Health Care	Employer identification number 41-1754276
--	--

Part I

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

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

1

☐

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

2

☐

A school described in **section 170(b)(1)(A)(ii).**(Attach Schedule E (Form 990 or 990-EZ))

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations

g

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii)EIN	(iii) Type of organization (described on lines 1- 9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here						► ☐

Section C. Computation of Public Support Percentage		
14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2014 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2015.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—2014.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—2015.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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► ☐
b 10%-facts-and-circumstances test—2014.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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► ☐
18 Private foundation.If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here ► ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2015. 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—2014. 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions) a ☐ The organization satisfied the Activities Test. Complete line 2 below. b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below. c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970: **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E. ☐

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		Current Year	
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) ☐		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013.			
e From 2014.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7			
\$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013.			
d From 2014.			
e From 2015.			

Part VI **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

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

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

Name of the organization Children's Health Care	Employer identification number 41-1754276
--	--

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	\$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	\$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	\$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	\$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	\$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	\$
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
2				
3				
4				
5				
6				

Part II-A

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

- A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

☐ Yes ☐ No

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a)2012	(b)2013	(c)2014	(d)2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

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?

(a)

Yes

No

(b)

Amount

No

Yes

No

No

No

No

Yes

120,031

No

Yes

48,122

168,153

No

Part III-A

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

1

Were substantially all (90% or more) dues received nondeductible by members?

2

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

3

Did the organization agree to carry over lobbying and political expenditures from the prior year?

Yes

No

1

2

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

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

b

Carryover from last year

c

Total

3

Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues

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?

5

Taxable amount of lobbying and political expenditures (see instructions)

1

2a

2b

2c

3

4

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, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
Form Sch C Part II-B Line 1a	Children's retains a lobbyist to assist directly with lobbying efforts at the state level. Children's Public Policy Director is also responsible for lobbying activities on the city, state, and federal level. Those responsibilities include providing testimony at the State Capitol, maintaining relationships, educating legislators and staff, and working with our regulatory agencies. With respect to federal lobbying efforts, Children's Senior Director of Child Health Policy, Public Policy Director, and CEO will occasionally travel to Washington to meet with federal lawmakers. This is generally done in a collaboration with industry organizations, such as NACHRI, who indirectly provide federal lobbying support on behalf of Children's. Children's is a member of the Children's Hospital Association (CHA). \$48,122 of membership dues paid to CHA relate to lobbying activities.

Schedule C (Form 990 or 990-EZ) 2015

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization
Children's Health Care

Employer identification number
41-1754276

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

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

Part II Conservation Easements. Complete if the organization answered "Yes" on 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)

☐ Protection of natural habitat

☐ Preservation of open space

☐ Preservation of an historically important land area

☐ Preservation of a certified historic structure

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, handling of violations, and enforcing conservation easements during the year
►

7

Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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)

Revenue included on Form 990, Part VIII, line 1

► \$

(ii)

Assets included in Form 990, Part X

► \$

2

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

a

Revenue included on Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" on 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 |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ 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	41,329,339	39,959,574	33,578,504	30,285,804	30,881,650
b Contributions	211,366	1,216,110	1,416,216	421,789	883,411
c Net investment earnings, gains, and losses	-1,037,098	1,904,157	5,959,789	3,955,151	-267,697
d Grants or scholarships	1,366,679	1,750,502	994,935	1,084,240	1,211,560
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	39,136,928	41,329,339	39,959,574	33,578,504	30,285,804

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶ 24 000 %

b Permanent endowment ▶ 76 000 %

c Temporarily restricted endowment ▶

The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i)** unrelated organizations

(ii) related organizations

	Yes	No
3a(i)	Yes	
3a(ii)	Yes	
3b	Yes	
- b** If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	Accumulated (c)depreciation	(d)Book value
1a Land		14,850,201		14,850,201
b Buildings		451,165,743	158,782,028	292,383,715
c Leasehold improvements		4,723,086	776,408	3,946,678
d Equipment		251,854,209	182,799,087	69,055,122
e Other		5,422,638	5,235,771	186,867
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				380,422,583

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Form Sch D, Part V, Line 4	The majority of endowment funds are held by Children's Health Care Foundation, a related organization. The intended use of the funds is to support the programs at Children's Health Care. There are also two endowment funds that are held and administered by US Bank, an unrelated organization, which are also used to support the programs at Children's Health Care. Refer to Part III, Line 4 for a description of the programs of Children's Health Care.

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation

Additional Data

Software ID:

Software Version:

EIN: 41-1754276

Name: Children's Health Care

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) EXECUTIVE BENEFIT PLANS	7,366,987
(2) UNAMORTIZED BOND INSURANCE	4,152,877
(3) PHYSICIAN RELOCATION LOANS REC	162,820
(4) PHARMACEUTICAL SERVICE DEPOSIT	2,041,747
(5) FACILITY DEPOSIT	134,000
(6) UNITED SHARED SERVICE ARRNGMT	1,690,000
(7) OTHER	2,095,176
(8) BENEFICIAL INT IN NA OF FDTN	71,534,992

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
RSVP RETIREMENT PLAN	10,997,283
EXECUTIVE BENEFITS LIABILITY	4,423,845
MN CARE TAX PAYABLE	3,443,469
POST-RETIREMENT BENEFITS	3,128,406
WORKERS COMP LIABILITY	1,691,522
SELF-INSURANCE RESERVE	721,953
ACCRUAL VERP	351,651
INTERCOMPANY PAYABLE	5,469,376
SHARED EQUIPMENT	970,551

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Health Care

Employer identification number
41-1754276

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.

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

OMB No 1545-0047

2015

Open to Public Inspection

Part I

General Information on Activities Outside the United States.

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

1

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

☐ Yes
☐ No

2

For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3

Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Central America and the Caribbean			Program Services	Self Insurance	129,243
(2) Central America and the Caribbean			Investments	N/A	6,969,495
(3) Central America and the Caribbean			Investments	N/A	684,850
(4) Europe (Including Iceland and Greenland)			Investments	N/A	2,886,598
(5) Central America and the Caribbean			Investments	N/A	4,729,171
3a Sub-total					15,399,357
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					15,399,357

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, do not file with Form 990)*

☐ 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, do not file with Form 990)*

☐ Yes ☒ No

Additional Data

Software ID:

Software Version:

EIN: 41-1754276

Name: Children's Health Care

Part V Supplemental Information

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

SCHEDULE H
(Form 990)

Department of the
Treasury
Internal Revenue
Service

Hospitals

► Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
► Attach to Form 990.

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

OMB No 1545-0047

2015

Open to Public
Inspection

Name of the organization Children's Health Care	Employer identification number 41-1754276
--	--

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☐ Other 275 %	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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
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)			1,660,555		1,660,555	0 220 %
b Medicaid (from Worksheet 3, column a)			318,853,989	236,389,276	82,464,713	10 730 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			320,514,544	236,389,276	84,125,268	10 950 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			13,079,522	2,789,833	10,289,689	1 340 %
f Health professions education (from Worksheet 5)			7,501,542	2,359,790	5,141,752	0 670 %
g Subsidized health services (from Worksheet 6)			40,759,643	24,316,539	16,443,104	2 140 %
h Research (from Worksheet 7)			3,935,576	3,256,585	678,991	0 090 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			152,072		152,072	0 020 %
j Total. Other Benefits			65,428,355	32,722,747	32,705,608	4 260 %
k Total. Add lines 7d and 7j			385,942,899	269,112,023	116,830,876	15 210 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		5,200		5,200	
2	Economic development					
3	Community support		11,850		11,850	
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development		55,000		55,000	0.010 %
9	Other					
10	Total		72,050		72,050	0.010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

No

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

4,111,139

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

1,027,785

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

221,763

6

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

6

352,537

7

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

7

-130,774

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

No

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

No

Part IVManagement Companies and Joint Ventures

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

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

Section A. Hospital Facilities

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 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 12 If "Yes," indicate what the CHNA report describes (check all that apply) a ☐ A definition of the community served by the hospital facility b ☐ Demographics of the community c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community d ☐ How data was obtained e ☐ The significant health needs of the community f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs h ☐ The process for consulting with persons representing the community's interests i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs j ☐ Other (describe in Section C)	3 Yes	
4 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
5 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5 Yes	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	No
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 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) a ☐ Hospital facility's website (list url) <u>http //www.childrensmn org/community</u> b ☐ Other website (list url) _____ c ☐ Made a paper copy available for public inspection without charge at the hospital facility d ☐ Other (describe in Section C)	7 Yes	
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8 Yes	
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>13</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? a If "Yes" (list url) <u>http //www.childrensmn org/community</u> b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10 Yes	
10b		No
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" on line 12b, 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 (FAP)

		Children's Health Care	
Name of hospital facility or letter of facility reporting group			
		Yes	No
13	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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a	☐ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 275 % and FPG family income limit for eligibility for discounted care of 350 %		
b	☐ Income level other than FPG (describe in Section C)		
c	☐ Asset level		
d	☐ Medical indigency		
e	☐ Insurance status		
f	☐ Underinsurance discount		
g	☐ Residency		
h	☐ Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	14	Yes
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	15	Yes
a	☐ Described the information the hospital facility may require an individual to provide as part of his or her application		
b	☐ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	☐ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	☐ Other (describe in Section C)		
16	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)	16	Yes
a	☐ The FAP was widely available on a website (list url)		
b	☐ The FAP application form was widely available on a website (list url)		
c	☐ A plain language summary of the FAP was widely available on a website (list url)		
d	☐ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	☐ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	☐ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	☐ Other (describe in Section C)		
Billing and Collections			
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes
18	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	☐ Reporting to credit agency(ies)		
b	☐ Selling an individual's debt to another party		
c	☐ Actions that require a legal or judicial process		
d	☐ Other similar actions (describe in Section C)		
e	☐ None of these actions or other similar actions were permitted		

Part V

Facility Information *(continued)*

Children's Health Care			
Name of hospital facility or letter of facility reporting group			
		Yes	No
19 Did the hospital facility or other authorized 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		19	No
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Actions that require a legal or judicial process			
d ☐ Other similar actions (describe in Section C)			
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (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)			
f ☐ None of these efforts were made			
Policy Relating to Emergency Medical Care			
21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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		21	Yes
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d ☐ Other (describe in Section C)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)			
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Section C)			
23 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 Section C		23	No
24 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 Section C		24	No

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

Section C. Supplemental Information for Part V, Section B.

Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation

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? 8

Name and address	Type of Facility (describe)
1 Children's Clinics - Woodwinds 1825 Woodwinds Drive Suite 400 Woodbury, MN 55125	Specialty and Rehabilitation Clinic
2 Children's - Maple Grove 7767 Elm Creek Blvd Suite 300 Maple Grove, MN 55369	Specialty and Rehabilitation Clinic
3 Children's Rehab Clinic 5950 Clearwater Drive Suite 500 Minnetonka, MN 55343	ENT and Rehabilitation Clinic
4 Children's - Roseville 1835 W County Rd C Roseville, MN 55113	Specialty and Rehabilitation Clinic
5 Children's - Minnetonka 6060 Clearwater Drive Suite 204 Minnetonka, MN 55343	Specialty Clinic - Diabetes and Endocrinology
6 Children's Sleep Center 310 North Smith Ave Suite 480 St Paul, MN 55404	Specialty Clinic- Sleep Disorders
7 Center for the Treatment of Eating Dsrdr 910 E 26th Street Suite 410 Minneapolis, MN 55404	Specialty Clinic - Eating Disorders
8 Children's Specialty Clinic 360 Sherman Street St Paul, MN 55102	Specialty Clinic - Psychological Services
9	
10	

Part VI Supplemental Information

Provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 3C	Federal Poverty Guidelines are the primary measurement used to determine eligibility for financial assistance. However, policy exceptions may be granted for families who have medical debt exceeding 10 percent of their income or have other specific documented needs where they are not able to pay all or a portion of their balance. Medicaid eligibility may also be used to determine eligibility.

Form and Line Reference	Explanation
PART I, LINE 6A	Childrens includes information on community benefit expenditures in the organizations annual report The report is available online at https //www childrensmn org/support-childrens/giving-to-childrens/annual-report/ Community benefit numbers, as well as community health needs assessment information, are also available on the community health section of the website http //www childrensmn org/community

Form and Line Reference	Explanation
PART I, LINE 7G	Subsidized health services benefits include the following programs ECMO (extracorporeal membrane oxygenation) is a lifesaving treatment for the most critically ill babies, children and teens. ECMO takes over temporarily with a mechanical blood pump and artificial lung when a child's heart or lung is not functioning. The ECMO program at Children's Hospitals and Clinics of Minnesota is the largest and oldest in the state. \$1,842,051 The Infant Apnea Program includes pediatric specialists who understand the science behind a baby's breathing process. Our team of pulmonary, neonatology and nurse experts provides comprehensive evaluations, family education, ongoing management and support to families of infants diagnosed with apnea or gastroesophageal reflux (GER), a regurgitation of food that can interfere with breathing. \$345,305 The Hospitalist Program is a team on the general medical/surgical units 24/7 that are among the first faces a child sees. The hospitalists confer with the referring doctor and the patient's pediatrician to gather information and plan for first-rate care. \$2,118,401 The Integrative Medicine Program combines the best of complementary and conventional medical therapies to develop holistic solutions for children with chronic illness, acute and chronic pain, side effects from medical treatments, and emotional challenges such as depression and anxiety. \$347,147 The Eating Disorders Clinic uses leading evidence-based treatments to patients of all ages and with all types of eating disorders. The Center for the Treatment of Eating Disorders is the only hospital-based program in the Twin Cities to offer immediate access for medical stabilization. \$346,769 The Cleft and Craniofacial Clinic is one of the premier programs in the region dedicated exclusively to diagnosing and treating cleft and craniofacial disorders in babies, children, adolescents, and young adults. They treat a wide range of conditions, from cleft lips to abnormal head shapes, using state-of-the-art technologies for 21st century care. \$1,375,689 The Development Pediatric Clinic addresses concerns about your child's developmental, behavioral, social or learning challenges. The program approaches behavioral and developmental conditions, such as autism and Down syndrome, from all angles. \$217,908 Psychological Services meets with children for outpatient therapy, psychological and neuropsychological assessments, and consultation to outpatient and inpatient medical service. \$593,133 Home Health Care allows kids to receive these services not at a hospital bedside, but at home with their families. Education is also a big part of a home care nurse's role and they are always available to answer any questions or provide assistance. \$1,461,089

Form and Line Reference	Explanation
CONTINUED	Midwest Childrens Resources Center (MCRC) offers medical evaluations and case management in alleged child abuse cases, serious neglect, and witness to violence. Every year, more than 1,100 children ages 0 to 18 visit us. MCRC receives referrals from law enforcement, emergency departments, primary physicians, child protection services, parents, self referrals, and a variety of community agencies. \$695,779 The Genetics Clinic helps families understand genetic conditions, like chromosomal disorders and single-gene disorders. With one of the largest genetics programs in the region, we see more than 2,000 children and teens every year and we are the only genetics clinic in Minnesota that focuses entirely on caring for kids with genetic conditions. \$686,491 The Neurology Clinic provides expert diagnosis and treatment for kids' brain and nervous system conditions like brain tumors, epilepsy, head trauma, cerebral palsy, and others. \$470,940 The Neurosurgery Clinic uses cutting edge surgical techniques and technology to treat tumors, epilepsy, and other brain and nervous system conditions. We perform hundreds of surgeries each year on babies, kids, and teens. That makes us one the most experienced pediatric neurosurgery centers anywhere. \$656,467 The Rheumatology Clinic uses advanced tools to diagnose these complex conditions, alleviate pain, and restore function in kids and teens. \$108,958 Psychological Services meet with children for outpatient therapy, psychological and neuropsychological assessments, and consultation to outpatient and inpatient medical service. \$805,941 Psychiatric Services provides assessment and consultation to children. They can also prescribe and manage medications used to treat emotional and behavioral problems. \$546,746 The Sedation and Procedural Services (SPS) unit provides a broad range of scheduled and unscheduled services including non-surgical procedures, diagnostic testing, minimal, moderate, and deep sedation, nurse-only visits, and vascular access services for the hospital sites. The SPS units admit scheduled and unscheduled medical and surgical observation status patients and care for inpatient overflow volume in times of high census. \$3,824,290

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	Childrens provided the following community building activities in 2015 -Career Readiness Childrens provides financial support to the Hire4Ed Work-Study Program, which provides students with real-world work experience and pays more than half of the students cost of education Childrens also hosts some students in the program for work experience In 2015, Childrens hosted 12 students, providing summer internships for high school students from area high schools Through other workforce development programs, Childrens hosted an additional 8 students -Project for Pride in Living PPL helps low-income people achieve self-sufficiency through housing, employment training, support services and education Childrens partners with and provides financial support to PPL in their Train to Work initiative, which has trained hundreds of people to meet entry-level staffing needs of Childrens and other major area healthcare partners Train to Work offers training in healthcare-specific details, such as medical terminology and electronic health records, as well as a job shadowing internship that has been an essential component of the programs success The internship gives participants hands-on experience in healthcare and gives employers an opportunity to observe potential employees -Coalition Building Childrens provides support to the Phillips Partnership, a coalition of public and private partners located in the Phillips neighborhood of Minneapolis, focused on safety, housing, jobs and infrastructure -Community Support Childrens supports the Midtown Safety Center in the Phillips neighborhood where the Minneapolis hospital campus is located The Midtown Safety Center acts as a hub for connecting police and community in important ways -Community Support Childrens provided a number of donations to community based organizations in 2015 to support their work in supporting community health through their mission The work of these organizations varied, both in scope and specific focus, but broadly worked to address the many social conditions that impact health PART III, LINE 2 Bad debt is defined as the unpaid obligation for care provided to patients who have been determined to be able to pay, but have not demonstrated a willingness to pay The amounts attributable to patients eligible under the organizations financial assistance policy are determined by a patient's willingness to pay with a documented inability to pay per measures established by our policy Bad Debt is estimated by applying the ratio of patient care cost to charges, as calculated on Form 990, Schedule H, Worksheet 2, to the actual patient charges

Form and Line Reference	Explanation
PART III, LINE 3	The organization estimates that twenty-five percent of bad debt expenses are attributable to patients who likely would qualify for financial assistance under the organization's charity care policy (but were either unwilling or unable to provide sufficient information to make a determination of their eligibility while in our care) The estimate of twenty-five percent is based on a review of accounts classified as bad debt and management judgement

Form and Line Reference	Explanation
PART III, LINE 4	Footnote from 2015 audited financials Patient accounts receivable represent amounts due from federal and state agencies, managed healthcare plans, commercial insurance companies, employers, and patients Children's grants credit to patients, most of whom are insured under third-party payor agreements, without collateral or any other security to support amounts due Children's determines an allowance for doubtful accounts by considering a number of factors, including, but not limited to, the length of time accounts receivable are past due, previous loss history, the existence of a third-party payor, reimbursement trends, and other collection indicators Accounts are written off when all reasonable internal and external collection efforts have been performed and payments subsequently received on such receivables are credited to the allowance At December 31, 2015 and 2014, the allowance for uncollectible accounts was \$9,517,000 and \$8,232,000, respectively Bad debt write-offs totaled approximately \$8,066,000 and \$10,920,000 for the years ended December 31, 2015 and 2014, respectively Children's recognizes that revenue and receivables from third-party payors, including governmental agencies, are significant to its operations, but does not believe there are significant credit risks associated with these organizations In 2015, the top four third-party payors accounted for 30%, 27%, 18%, and 10% of net patient service revenue In 2014, the top four third-party payors accounted for 32%, 26%, 15%, and 11% of net patient service revenue

Form and Line Reference	Explanation
PART III, LINE 8	The organization primarily serves pediatric patients and does not generate significant Medicare revenues. The organization files a Medicare cost report annually. Form 990, Schedule H, Worksheet 3 - Unreimbursed Medicaid and Other Means-Tested Government Programs was used to calculate the costs associated with Medicare charges reported in Part III, Line 6. The organization does not report any amounts from Part III, Line 7 as community benefit.

Form and Line Reference	Explanation
PART III, LINE 9B	When collecting medical debt, Children's Hospitals and Clinics of Minnesota treats its patient families with honor, dignity, and courtesy, demonstrates compassion, and are good stewards of health care resources. There is a zero tolerance for abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by Children's employees and contractors who collect medical debt from patient families. This policy applies broadly to all patient families we serve. Components of Children's collection policy include: During the pre-registration, registration, or admission process, Children's attempts to identify and inform patient families who may be eligible for financial assistance or discounted care through the uninsured discount or financial assistance policy. IN ADDITION, ALL FAMILIES ARE PROVIDED WITH A PLAIN LANGUAGE SUMMARY OF OUR FINANCIAL ASSISTANCE POLICY AT REGISTRATION. INFORMATION ON OUR FINANCIAL ASSISTANCE POLICY IS POSTED IN EACH CLINIC AND REGISTRATION AREA, OUR WELCOME CENTER, AND ON OUR WEBSITE. All Children's employees and contracted staff who have direct contact with patients are educated on an annual basis of Children's financial assistance policies. The education informs staff of programs available and how a patient family may obtain more information and submit an application for financial assistance. A FINANCIAL ASSISTANCE APPLICATION AND COPY OF THE FINANCIAL ASSISTANCE PLAIN LANGUAGE SUMMARY IS sent with the initial hospital patient statement explaining the process for obtaining financial assistance to all self pay patient families. Reference to financial assistance is included on all subsequent statements. If a patient family indicates the need for financial assistance during the registration process or throughout the collection process, financial assistance information is provided to the family by staff. All patients who are registered as self pay are offered the financial assistance information at the time of registration. ALL CORRESPONDENCE SEEKING COLLECTION OF MEDICAL DEBTS CONTAIN A REFERENCE TO THE AVAILABILITY OF FINANCIAL ASSISTANCE AND THE FINAL NOTICE PRIOR TO BAD DEBT PLACEMENT INCLUDE THE REQUIRED LANGUAGE RELATED TO EXTRAORDINARY COLLECTION EFFORTS. Minnesota hospital providers have jointly developed consistent collection guidelines set out in formal agreements with the Minnesota Attorney Office. This agreement is consistent with Children's collection policy. The Audit Committee of our Board of Directors annually reviews this policy and all policies concerning collection of medical debt,uninsured discount, and charity care. The Audit Committee also reviews the results of an annual audit related to these areas in accordance with the Minnesota Attorney General's Agreement.

Form and Line Reference	Explanation
PART VI, LINE 2	In 2013, Childrens completed its first community health needs assessment, as required under the Patient Protection and Affordable Care Act of 2010 (PPACA) The CHNA and accompanying implementation strategy were approved by the Childrens Board of Directors at its October, 2013 board meeting The complete documents are available to the public at http //www.childrensmn org/community In conducting the assessment, Childrens considered the following topics and data demographics, economic issues that affect children, community issues, health status indicators, health access indicators, health disparities indicators and availability of healthcare facilities and resources In addition to the CHNA process, Childrens also regularly assesses the health care needs of the community in the following ways a Board of Directors the organizations governing body, comprised primarily of community members who reside locally, provides governance oversight and input on the health care services Childrens provides to the local community b Childrens employed physicians, independent physicians who provide care at Childrens, and numerous clinical care providers assess community needs daily through the pediatric care provided throughout the community c Community partnerships/relationships Childrens Advocacy and Health Policy department has developed a core strategy based on active and substantive engagement of the community, in its varying forms This includes collaboration with community-based organizations and leaders, aligned non-profits, service delivery agencies and associations We also engage in local and state government-driven initiatives around child health issues Through these partnerships Childrens gains insight and supports progress on a number of key issues impacting children, including early childhood development, childhood obesity, premature birth, tobacco control, equity, and the social conditions that impact health d The Family Advisory Council this diverse group of families whose children are present or past patients of Childrens regularly provides input on the services provided at Childrens Council members represent a wide range of inpatient and outpatient experiences to help enhance the quality of child and family care experiences at Childrens Council responsibilities include -Develop, implement, and evaluate service and facility standards -Communicate with management about the recommendations and concerns expressed by parents, family members, parent associations, and others -Advise on policy review, promote family-centered care, and support program development

Form and Line Reference	Explanation
CONTINUED	e Youth Advisory Council This is a dedicated group of patients , ages 10 to 18, who help hospital staff, leaders, clinicians and parents understand what is important to children, teens and siblings during hospital stays, clinic visits and emergency care The YAC brings a valuable perspective and voice to Childrens by participating in activities that promote discussion and thought about health care services for pediatric and young adult patients The council also brings great perspective to let other children know how to make their stay at Childrens a more comfortable and positive experience f Other methods include, and are not limited to, partnerships and projects with third party-payers and other community physicians and hospitals, monitoring and reporting of infectious disease data, disaster readiness efforts, research and education, support groups, and others PART VI, LINE 3 Components of Children's collection policy include During the pre-registration, registration, or admission process, Children's will attempt to identify and inform patient families who may be eligible for charity care or discounted care through the uninsured discount or charity care policy All Children's employees and contracted staff who have direct contact with patients will be educated on an annual basis of Children's financial assistance policies The education will inform staff of programs available and how a patient family may obtain more information and submit an application for financial assistance A financial assistance application will be sent with the initial letter explaining the process for obtaining financial assistance to all self pay patient families If a patient family indicates the need for financial assistance during the registration process, financial assistance information is provided to the family by the registration staff All correspondence seeking collection of medical debts will contain a reference to the availability of financial assistance Minnesota hospital providers have jointly developed consistent collection guidelines set out in formal agreements with the Minnesota Attorney General's Office This agreement is consistent with Children's collection policy The Board of Directors (Audit Committee) performs an annual review of this policy and all policies concerning collection of medical debt, uninsured discount, and charity care The Audit Committee shall also review the results of an annual audit related to these areas in accordance with the Minnesota Attorney General's Agreement

Form and Line Reference	Explanation
PART VI, LINE 4	Childrens Hospitals and Clinics of Minnesota serves the five state area of the upper Midwest (Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin) In 2015, Childrens served patients from 100 percent of Minnesota counties and 66 percent of the total counties in the five state area In support of a highly diverse patient population, Childrens provided interpreter services for 64 languages with the most frequent languages being Spanish, Somali and Hmong Childrens also serves a disproportionate share of economically disadvantaged patients with 42 percent of net patient revenues from government programs The Minneapolis campus is located within the Phillips-Powderhorn neighborhood (MUA), home to one of the most ethnically diverse communities in Minnesota

Form and Line Reference	Explanation
PART VI, LINE 5	As a tax-exempt organization, Childrens maintains an open medical staff and is governed by a volunteer, community board Childrens provides a broad spectrum of benefits to the communities it serves that would otherwise be unavailable or insufficient to meet patient demand Childrens does this for the express purpose of improving the health status of children in the community These services and donations account for a measurable portion of the hospitals costs and help to promote healthy lifestyles, community development, health education and affordable access to care Example programs include - Portico Healthnet Childrens is one of the local hospitals and health plans in the Twin Cities that advises Portico Healthnet on issues related to program services and also provides funding for medical services to participants Portico Healthnet is a nonprofit health and human services organization that serves the community by assisting children, parents and individuals who are uninsured with applications to health care programs and by offering a primary and preventive health care access program for people ineligible for public programs - Women, Infants & Children (WIC) Program Children's houses a Woman, Infants and Children (WIC) clinic to facilitate enrollment in the program, nutrition education, access to nutritious foods, as well as breastfeeding education and support Additionally, the Children's WIC Program promotes healthy weight for both mother and child by offering individualized nutrition assessments, monitoring appropriate weight gain and growth, counseling families on how to help children eat a healthy diet, encouraging families to be physically active, and providing referrals to community nutrition and physical activity resources At the end of the 2015, Hennepin County reoriented WIC resources to county run centers and the Childrens WIC clinic closed - HealthTeacher Children's financially sponsors the HealthTeacher program for school districts in Hennepin and Ramsey counties HealthTeacher, Inc provides web-based health education curriculum and related resources focused on health improvement and physical activity These tools provide schools and teachers important resources to help kids lead healthy lives - The EMSC Resource Center provides technical assistance to agencies to improve pediatric emergency care The EMSC works to reduce child morbidity and mortality due to trauma and critical illness and is the only statewide Program that focuses on improving pediatric components of medical care

Form and Line Reference	Explanation
CONTINUED	- The Minnesota Sudden Infant Death (SID) Center Children's houses the Minnesota SID Center, which provides support to families and promotes awareness within both the medical and lay communities of SIDS and other causes of sudden infant death The center works to identify causes of sudden, unexpected infant death throughout Minnesota, reaches out with information and support to families, educates professionals and the public, and participates in research - The Simulation Center is a motor coach outfitted with simulation equipment and staffed with Children's trainers that travels throughout the Midwest to train staff from hospitals in the best practices when responding to pediatric or neonatal medical emergencies - Healthy Kids Partnership HealthPartners and Children's Hospital and Clinics of Minnesota are collaborating with community stakeholders to help promote childhood health and prevent obesity Physician champions in three clinics are connecting with schools, community centers, local businesses and public health By working in partnership, we hope to promote and sustain change in the places our kids live, learn and play - Children's Immunization Project To increase rates of vaccination among children, particularly in low-income and underserved areas, Childrens provides outreach and education on vaccinations The programs current focus is on influenza prevention, and activities include vaccination clinics and educational outreach - Perinatal HIV Prevention Program Optimal prenatal care for women with HIV is essential in preventing transmission of the disease to infants Children's Infection Prevention department works with HIV positive pregnant women to help them get this care by building relationships with medical providers throughout the state to refer expecting mothers into the program - The Advocacy and Health Policy Department at Children's promotes the health of the community by participating in coalitions that advocate for the health of children in Minnesota PART VI, LINE 7 List of States Receiving Community Benefit Report MN List of States Receiving Community Benefit Report MN

Schedule H (Form 990) 2015

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: Children's Health Care

Form 990 Schedule H, Part V Section A. Hospital Facilities

Section A. Hospital Facilities

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

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

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Children's Health Care 2525 Chicago Avenue South Minneapolis, MN 55404 http //www childrensmn org/ 356144	X	X	X		X	X			

OMB No 1545-0047

Open to Public Inspection

41-1754276

☒ Yes ☐ No

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

Part III

Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on 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) Charity Care Assistance to Individuals	1077		3,701,177	Cost	Charity care to indiv

Part IV

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

Return Reference	Explanation
Part I, Line 2	From time to time, Children's grants monies to other organizations conducting programs and/or research that will benefit the children that Children's serves. Children's also occasionally provides monetary support to organizations that promote careers in the health care field and community organizations that support the economic development of the area surrounding the Children's Minneapolis campus. Children's receives periodic updates regarding the use of the funds.

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: Children's Health Care

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
Abbott Northwestern Hospital Foundation 800 East 28th Street Minneapolis, MN 55407	04-3643816	501(c)(3)	10,000				Critical Care Fund Sponsorship - Hire for Ed Program GoNoodle Program Sponsorship - Nurse of the Year, March Sponsorship - Midtown Safety , NNO Assist families in obtaining insurance Health career job training Fundraising Event Sponsorship - Golf and Brew Love Events Contribution Annual Giving, BearPower Collab
Cristo Rey Jesuit High School 2924 4th Ave S Minneapolis, MN 55408	20-4548714	501(c)(3)	30,000				Sponsorship - Hire for Ed Program
Healthteacher Inc 209 10th Ave S Suite 350 Nashville, TN 37203			83,333				Classroom-based PE curriculum

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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 5233 Edina Industrial Blvd Edina, MN 55439	13-1846366	501(c)(3)	22,500				Sponsorship - Nurse of the Year
Phillips West Neighborhood Org 2400 Park Ave S Suite 152 Minneapolis, MN 55404	90-0122796	501(c)(3)	5,200				Sponsorship - Midtown Safety , NNO
Portico Healthnet 2610 University Ave W Suite 550 St Paul, MN 55114	41-1814659	501(c)(3)	45,962				Assist families in obtaining insurance

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
Project for Pride in Living 1035 E Franklin Ave Minneapolis, MN 55406	23-7232208	501(c)(3)	25,000				Health career job training
MN Wild Foundation 317 Washington Street St Paul, MN 55102	90-0518400	501(c)(3)	16,000				Health Career Program
Ronald McDonald House - Upper Midwest 818 Fulton Street NE Suite 1200 Minneapolis, MN 55414	41-1313107	501(c)(3)	27,000				Phillips partnership & community development

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
CycleHealth 6545 Flying Cloud Drive Suite 202 Eden Prairie, MN 55344	46-3077108	501(c)(3)	15,000				Cardiovascular Program education
YMCA of the Greater Twin Cities 30 S 9th Street Minneapolis, MN 55402	45-2563299	501(c)(3)	12,500				Event sponsorships

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" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Children's Health Care

Employer identification number
41-1754276

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 on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	1b 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	No
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4a Yes	
	4b Yes	
	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	5a	No
	5b	No
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	6a	No
	6b	No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported on 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" on 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 on 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 in column(B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
Part I, Line 1a	Robert Bonar is reimbursed for his membership fees for the Minneapolis Club, which is used solely for business purposes. Part I, Line 4a JERRY MASSMANN BEGAN RECEIVING SEVERANCE PAY ON 8/1/2013 FOR TWO YEARS HE RECEIVED \$280,388 IN 2015. David Brumbaugh received severance pay 4/30/2014 through 6/30/2015. He received \$151,339 in 2015.
Part I, Line 4b	Certain employees of Children's Health Care, parent of Children's Clinic Network, are provided the opportunity to participate in the 457(f) Deferral Plan (the Deferral Plan). The Deferral Plan requires that the employee is a physician or executive and is a .5 FTE or more in order to be eligible to participate in the Deferral Plan. Payments from the Deferral Plan occur at vesting and are based on percentage of salary. The following amounts represent the amount paid under the Deferral Plan in 2015: Maria Christu - \$40,100; Phil Kibort - \$160,138; Jerry Massmann - \$24,868; David Brumbaugh - \$131,259; Theresa Pesch - \$37,481; David Overman - \$87,430; Roxanne Fernandes - \$39,736; Jeffrey Young - \$33,323; Joseph Petronio - \$37,977; William Mize - \$33,030; James Engels - \$37,469; Robert Segal - \$18,313; Meysam Kebraei - \$29,547; Alec Mahmood - \$19,151; Carol Wilcox - \$23,984; Bjorn Gunnerud - \$24,494; Jennifer Olson - \$13,394; Barbara Malone - \$25,623; Stephen Nelson - \$18,062.

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: Children's Health Care

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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1Robert Segal Medical Director	(i)	209,826	23,346	26,289	39,652	20,808	319,921	18,313
	(ii)				0	- 0	- 0	0
1Jerry Massmann Former VP of Finance and CFO	(i)			305,255	0	0	305,255	284,877
	(ii)				0	- 0	- 0	0
2Robert Bonar JR Chief Executive Officer	(i)	817,011		185,354	180,988	17,396	1,200,749	0
	(ii)				0	- 0	- 0	0
3Alan Goldbloom Chief Executive Officer	(i)	142,714	428,764		16,395	206	588,079	0
	(ii)				0	- 0	- 0	0
4Alec Mahmood Chief Financial Officer	(i)	383,724	169,100	25,440	14,662	16,095	609,021	19,151
	(ii)				0	- 0	- 0	0
5Alice Chemich Sr Dir Clinical SVC Neonatal	(i)	160,321	29,772		9,753	13,374	213,220	0
	(ii)				0	- 0	- 0	0
6Becky Bedore Sr Dir Clin Svc - Pediatrics	(i)	151,226	29,421		24,942	14,155	219,744	0
	(ii)				0	- 0	- 0	0
7Bjorn Gunnerud VP, Marketing & Communications	(i)	219,407	66,091	33,321	43,559	19,836	382,214	24,494
	(ii)				0	- 0	- 0	0
8Carol Wilcox Senior Hospital Admin	(i)	202,308	59,193	27,674	40,722	2,302	332,199	22,762
	(ii)				0	- 0	- 0	0
9David Brumbaugh Former CHR Officer	(i)			151,339	140,778	5,965	298,082	131,259
	(ii)				0	- 0	- 0	0
10David Overman President & Chief Operator	(i)	491,853	415,627	100,598	105,971	17,396	1,131,445	79,393
	(ii)				0	- 0	- 0	0
11Glonn Drake Sr Dir Clin Svcs - Periop	(i)	181,403	35,340	1,889	25,380	12,561	256,573	0
	(ii)				0	- 0	- 0	0
12Jeffrey Young Chief Information Officer	(i)	313,515	95,310	38,069	54,774	19,673	521,341	33,323
	(ii)				0	- 0	- 0	0
13Jennifer Close Chief Ambulatory Officer	(i)	117,540	81,796	1,024	10,836	4,177	215,373	0
	(ii)				0	- 0	- 0	0
14Jennifer Olson VP Business Development	(i)	235,099	40,467	6,146	28,514	14,457	324,683	0
	(ii)				0	- 0	- 0	0
15Mana Christu Gen Counsel, VP, Advoc & Hlth	(i)	354,097	105,688	56,126	62,422	21,355	599,688	40,100
	(ii)				0	- 0	- 0	0
16Phil Kibort VP Medical Affairs	(i)	480,450	147,288	193,893	24,177	18,212	864,020	81,164
	(ii)				0	- 0	- 0	0
17Roxanne Fernandes Chief Nursing Officer	(i)	317,518	96,223	47,908	55,447	16,960	534,056	39,736
	(ii)				0	- 0	- 0	0
18Samantha HansonCHRO	(i)	295,838	56,221	9,585	51,279	20,724	433,647	0
	(ii)				0	- 0	- 0	0
19Stephen C Nelson MD Pediatrician, Board Member	(i)	264,164	42,041	20,982	39,838	21,254	388,279	0
	(ii)				0	- 0	- 0	0

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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
21James Engels Staff Physician	(i)	509,177	29,682	79,380	53,232	22,244	693,715	37,469
	(ii)				0	- 0	- 0	0
1Joseph Petronio Surgical Dir, Peds Neurosurg	(i)	757,055	46,126	88,437	39,205	23,204	954,027	37,977
	(ii)				0	- 0	- 0	0
2Meysam Kebriaei Staff Physician	(i)	608,634	48,001	11,706	45,447	22,710	736,498	10,115
	(ii)				0	- 0	- 0	0
3William MizeMedical Director	(i)	458,296	72,169	39,775	50,704	23,204	644,148	33,004
	(ii)				0	- 0	- 0	0
4Barbara Malone Staff Physician	(i)	496,099	32,501	24,810	41,523	17,718	612,651	0
	(ii)				0	- 0	- 0	0
5Kathleen Penson Director Access/Systems	(i)	154,121	20,277	959	2,377	18,130	195,864	0
	(ii)				0	- 0	- 0	0
6Rebecca Woitalewicz Interim CFO	(i)	166,654	22,152	4,440	12,621	18,176	224,043	0
	(ii)				0	- 0	- 0	0
7Theresa Pesch President, Foundation	(i)	165,686	62,617	32,706	29,535	8,555	299,099	18,741
	(ii)	165,686	62,617	32,706	29,535	- 8,555	- 299,099	18,740

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization
Children's Health Care

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

OMB No 1545-0047

2015

Open to Public Inspection

Employer identification number
41-1754276

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 1995B 2004A -See Part VI	41-6005375	603695FG7	08-24-2004	77,550,000	Healthcare equip & bldg & ref bond		X		X		X
B 2004B - See Part VI	41-6005375	603695FH5	05-25-2005	51,550,000	Refunding of taxable bond		X		X		X
C 2007A - See Part VI	41-6005375	603695FP7	11-15-2007	103,000,000	Facility expansion and upgrade		X		X		X
D 1995B 2004A-1 2010A - See Part VI	41-6005375	603695GQ4	03-25-2010	97,051,274	Facility expns & upgrade & ref bon		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	57,725,000		22,075,000		9,750,000		27,310,000	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	77,550,000		51,550,000		106,148,383		97,071,507	
4	Gross proceeds in reserve funds	394		588		2,089		1,432	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	810,064		0		862,000		0	
8	Credit enhancement from proceeds	1,239,936		0		1,582,951		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	50,000,000		0		103,703,432		51,120,684	
11	Other spent proceeds	25,500,000		0		0		45,950,823	
12	Other unspent proceeds	0		51,550,000		0		0	
13	Year of substantial completion	2004				2009		2011	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X		X		X	
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X		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 ▶	0 010 %		0 %		0 010 %		0 010 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5	0 010 %				0 010 %		0 010 %	
7	Does the bond issue meet the private security or payment test? . . .		X		X		X		X
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?	X		X		X		X	
c	No rebate due?		X		X		X		X
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X		X		X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X		X			X
b	Name of provider	Piper Jaffray		Piper Jaffray		Piper Jaffray		0	
c	Term of hedge	2820 %		1820 %		2580 %			
d	Was the hedge superintegrated?		X		X		X		
e	Was the hedge terminated?		X		X		X		

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Supplemental Information	The report periods selected for all four bond issues recorded on Schedule K are not the same as the fiscal year end for the rest of the Form 990. Schedule K uses the bond year ending of August 15, 2016. Part I, Column (g). Although these bonds are not defeased, a portion of the bonds was currently refunded by a reissuance on 3/25/2010. Schedule K, Part I, Line 1 Column A Health Care Facilities Revenue Bonds 1995B/2004A - Issuer of the bond is City of Minneapolis, MN (41-6005375) and Housing and Redevelopment Authority of the City of St Paul, MN (41-6005521). Schedule K, Part I, Line 2 Column A Health Care Facilities Revenue Bonds 2004B - Issuer of the bond is City of Minneapolis, MN (41-6005375) and Housing and Redevelopment Authority of the City of St Paul, MN (41-6005521). Schedule K, Part I, Line 3 Column A Health Care Facilities Revenue Bonds 2007A - Issuer of the bond is City of Minneapolis, MN (41-6005375) and Housing and Redevelopment Authority of the City of St Paul, MN (41-6005521). Schedule K, Part I, Line 4 Column A Health Care Facilities Revenue Bonds 1995B/2004A-1/2010A - Issuer of the bond is City of Minneapolis, MN (41-6005375) and Housing and Redevelopment Authority of the City of St Paul, MN (41-6005521). Part II, Line 3 Differences between Part I, Column (e) and Part II, Line 3 are due to investment earnings. Schedule K, Part II, Line 13 Year of Substantial Completion B As this bond issue consists entirely of refunding bonds, it is Children's understanding that the concept of "year of substantial completion" does not apply to this issue.

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Children's Respiratory Critical C	Board Member	4,066,116	John McNamara, MD		No
(2) Ryan Companies US Inc	Board Member	1,324,498	Patrick Ryan		No

Part V Supplemental Information

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

Return Reference	Explanation
Form Sch L, Part IV	Business Transactions Involving Interested Persons (a) Name of Interested Person Children's Respiratory & Critical Care Specialists PA (b) Description of Transaction Board member of Children's Respiratory & Critical Care Specialists PA (c) Name of Interested Person Ryan Companies US Inc (d) Description of Transaction Board member of Ryan Companies US Inc

SCHEDULE M

(Form 990)

Noncash Contributions

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶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

Name of the organization Children's Health Care	Employer identification number 41-1754276
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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		104,728	Cost/Selling Price
5 Clothing and household goods	X		656,122	Cost/Selling Price
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
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	X		975	Cost/Selling Price
19 Food inventory	X		150,256	Cost/Selling Price
20 Drugs and medical supplies	X		5,676	Cost/Selling Price
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (<u>Services</u>)	X	0	1,507,629	Cost/Selling Price
26 Other ▶ (<u>Entertainment</u>)	X	0	50,932	Cost/Selling Price
27 Other ▶ (<u>Electronics</u>)	X	0	31,765	Cost/Selling Price
28 Other ▶ (<u> </u>)				

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
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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?	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?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		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 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 990-EZ 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.

OMB No 1545-0047

2015

**Open to Public
Inspection**

Name of the organization
Children's Health Care

Employer identification number

41-1754276

Return Reference	Explanation
Form 990, Part III, Line 4a	Children's - St Paul has been named a 2015 Top Hospital by the Leapfrog Group While more than 1,600 hospitals reported safety and quality information to the Leapfrog Group, only 6 percent were recognized this year for their high marks for quality and efficiency We're one of only 12 pediatric hospitals across the U S that has earned this honor and the only one recognized in the Upper Midw est This is the eighth time that Children's (Minneapolis, St Paul or both) has been recognized by the Leapfrog Group since 2006 For the ninth year, U S New s & World Report has named Children's as one of America's Best Children's Hospitals, with our neonatology specialty program ranking 42nd in the nation for 2015-2016 This is the seventh time our neonatology program has been ranked as a leading program in the nation We are Minnesota's largest provider of care to children with complex surgical conditions, heart disease, cancer, diabetes, and extreme pre-maturity In 2015, Children's cared for 14,678 inpatient admissions representing 100,813 patient days, performed 20,834 surgical cases, treated 96,206 emergency room visits and cared for 446,012 outpatient clinic visits, many of w hich provided to inner city Minneapolis and St Paul residents Children's continues to serve a diverse population with 84,443 family encounters for language interpretation in 64 different languages Children's considers certain major programs as destination programs, w hich are sought out due to their high quality outcomes These programs meet rigorous criteria for excellence, including outstanding use of evidence-based practices, clinical research, and advanced technologies - Cardiovascular - Children's pediatric cardiovascular program is one of the largest in the region with some of the most impressive outcomes in the U S Team members care for thousands of the region's sickest children w ith heart conditions, including fetuses, new borns, infants, children, adolescents, and adult, long-term patients w ith pediatric cardiovascular conditions - Neonatal Intensive Care - Children's specializes in caring for multiples, babies w ith congenital anomalies, very premature and very low birth weight babies, and infants born w ith other complex diagnoses We offer exceptional tertiary and quaternary care for babies, w ith survival outcomes among the best in the world Children's neonatal program is one of the nation's largest programs w ith 153 staffed beds and more than 37,000 patient days Our neonatal team includes highly-trained and experienced professionals from a full spectrum of medical specialties We have our Mother Baby Center at Abbott 2 Childrens - Minneapolis and in 2015 w e opened our second and third Mother Baby Centers at Merry Hospital in Coon Rapids and United Hospital and Children's - St Paul

Return Reference	Explanation
CONTINUED	- Hematology/Oncology - The hematology/oncology program at Children's is the largest in the upper Midwest with treatment outcomes that consistently rank Children's as one of the top ten programs in the U S In our nationally unique model, your child's or teen's care is spearheaded and coordinated by a board-certified hematologist/oncologist, who leads a highly experienced team of multidisciplinary professionals - Cystic Fibrosis - The Cystic Fibrosis (CF) Center at Children's of Minnesota diagnoses and treats children in all stages of CF Our dedication to family-centered care and education helps children and their families learn to live with CF Care at Children's for patients with CF ranks among the top 10 programs nationally in key outcomes measured by the National Cystic Fibrosis Registry Children's provides a continuum of care through coordinated inpatient and outpatient services, from diagnosis through long-term follow-up The Cystic Fibrosis Center of Children's provides state-of-the-art comprehensive care for children with CF - Diabetes/Endocrinology - The McNeely Pediatric Diabetes Center is the only diabetes center in the region to specialize in working solely with children and teens The staff provides expert health care to help maintain a child's targeted blood sugar ranges Most children seen in the diabetes center have Type 1 diabetes A small but growing number have Type 2 In addition to diabetes, the clinic provides diagnostic services and treatment for children with disorders of growth, advanced or delayed sexual development, pituitary disorders, thyroid abnormalities, disorders of calcium balance, adrenal disorders, and hypoglycemia The McNeely Pediatric Diabetes Center has received recognition for its diabetes education program from the American Diabetes Association, by meeting the association's high educational standards - Children's provides other high quality programs such as Surgery Children's surgery teams deliver next-generation care in an award-winning environment that is exclusively dedicated to pediatrics Health professionals of many disciplines work together to provide children with the best possible surgery experience Children's bodies are different than adults For example, they often require specially-sized surgical equipment They react differently to anesthesia and to pain Their bodies respond differently to illness and treatment, in part because they are still growing That's why children benefit from our highly accomplished, pediatric-specific surgery teams At Children's, over 20,000 surgeries are performed each year on fetuses, newborns, children, adolescents, and young adults from throughout the Upper Midwest Surgical treatment results rank Children's among the top hospitals in the U S in pediatric surgical care Children's has some of the lowest rates in the U S of post-surgery complications and some of the highest rates of patient and family satisfaction

Return Reference	Explanation
CONTINUED	Additional destination programs include Neurosciences, ENT and facial plastic surgery, and Trauma care. As a charitable organization, Children's Hospitals & Clinics of Minnesota also provides a broad spectrum of benefits to the communities we serve. These services and donations account for a measureable portion of the hospitals' costs and help to promote healthy lifestyles, community development, health education, and affordable access to care. Please see IRS Form 990, Schedule H for a summary of these community benefits. Form 990, Part III, Line 4b. We continue to participate in multiple prestigious national collaborations and clinical trials. We are also generating landmark investigator-initiated research, aimed at novel ways to deliver life-saving treatments, manage pain and symptoms and develop new methods for preventing or treating childhood diseases. Every day, Children's researchers express their commitment to building better outcomes for our children. These outcomes will have both immediate and lasting impact for children receiving state of the science care at our specialty centers. Children with cardiac disease, cancer, genetic and blood disorders, diabetes, cystic fibrosis, and other life-impacting conditions all have benefited from research at Children's. The vision and strategic innovation of our research leaders have brought us to impressive milestones in the past year. We continue to take steps toward advancing our research and committed to thriving into the future with our children and families.

Return Reference	Explanation
Form 990, Part VI, Line 4c	The rotations were performed in Children's Emergency Department, inpatient medical/surgical, PICU and neonatal inpatient care units, surgery and anesthesia, ENT surgery, urology, and subspecialty clinics. In addition, Children's offered 44 continuing medical education courses, and produced 60 peer reviewed publications. Cultivating medical leaders ensures that we continue our mission - championing the special health needs of children and their families. 2) Education and training of health care and other providers of services to children. i) The Midwest Regional Children's Advocacy Center at Children's is a leader in improving the care of abused and neglected children whose goal is to improve services for abused children in local communities throughout the region. The Center offers information, consultation, technical assistance, and training to physicians, nurses, and non-medical members of community child abuse teams, including law enforcement personnel, attorneys and child protection workers. ii) Recognized, as the nation's leader in palliative care education, Children's Institute for Palliative Care (CIPC) developed a model for a regional training and consultation center. CIPC develops and leads training seminars using recognized curriculum for pediatric palliative care, provides hospital-based consultation to children who are in need of hospice or palliative care while they are hospitalized, offers a regional 24/7 telephone consultation program providing education, support, and guidance to families and professional providers, and serves as a resource center for pediatric palliative care. iii) The Minnesota Sudden Infant Death Syndrome (SID) Center is a statewide program that provides information, counseling, and support to anyone experiencing a sudden and unexpected infant death from any cause. The SID Center is the state's resource for information on Sudden Infant Death Syndrome (SIDS) and SIDS risk reduction. The Center conducts training and educational programs for health care providers, child-care workers, and other professional and community groups. The Center also tracks and reports infant mortality trends in Minnesota and participates in local, state, and national initiatives to reduce the risk of sudden, unexpected infant death. The Minnesota SID Center collaborates with the Minnesota Department of Health, county public health nurses, and medical examiners in every county throughout Minnesota.

Return Reference	Explanation
CONTINUED	iv) The Emergency Medical Services for Children (EMSC) Resource Center housed at Children's creates awareness regarding the special needs of children in emergency medical situations. EMSC educational programs are designed to train pre-hospital personnel, first responders, physicians, nurses, and school nurses in the unique needs of infants and children in emergency situations. The EMSC Resource Center also provides technical assistance, participates in statewide pediatric emergency/disaster preparedness planning, develops and disseminates pediatric emergency care guidelines, and conducts mortality reviews and research. Education and employment - Because disparities in child health are so closely associated with low educational attainment and poor job skills, Children's is engaged in several key community partnerships to improve educational success and earning potential among youth and adults. Examples include the Roosevelt High School and Cristo Rey Jesuit High School Health Careers Program that provides students interested in health care careers the opportunity to receive health care specific education and obtain internships with health care organizations, the Achieve Minneapolis/Step-up Summer Jobs Program that places youth in supervised summer internships at participating companies and organizations, and a partnership with Project for Pride in Living that recognizes that a healthy, sustainable community requires residents with well-paying jobs. Form 990, Part VI, Line 11a Children's senior management reviews the draft Form 990 with the Audit and Compliance Committee of the governing body prior to filing of the Form. This review includes an overview of the Form and discussion related to key sections. Copies of the final Form 990 are made available to members of the Committee and all directors prior to the Form being filed. The Audit and Compliance Committee has been delegated the authority to oversee the completion and filing of the Form 990 by the full board, and the Committee reports the results of its review and approval to the full board at a regularly scheduled board meeting. Form 990, Part VI, Line 12c Management of Children's ensure that conflict of interest disclosure forms are completed by all members of the governing body and board committees at least annually. Forms are completed at the beginning of the year, and directors and committee members are instructed to provide additional disclosures if necessary during the course of the year. The Governance Committee of the governing body, along with senior management (CEO and General Counsel) review all disclosures provided by governing board members. The results of this review and any concerns, limitations, etc., are reported by the Governance Committee to the full board. If conflicts are identified, the Governance Committee and management work to ensure that directors do not participate in discussion or voting on the affected matter.

Return Reference	Explanation
Form 990, Part VI, Line 15a	Children's follows the requirements set forth in the IRS rebuttable presumption of reasonableness in determining compensation for the CEO and other officers and executive leaders of Children's. This function is performed by the Compensation Committee of the governing board, which is composed of only independent directors. The process includes review of comparability data, retention of an outside compensation consultant and contemporaneous substantiation of the deliberation and decision through detailed minutes of the Compensation Committee and full board meetings where executive compensation is considered.

Return Reference	Explanation
Form 990, Part VI, Line 16a	Currently Children's does not have any joint ventures with a taxable entity that are mission related or joint ventures that are not mission related. Within the context of their investment portfolio, the organization has invested in a number of limited partnership opportunities.

Return Reference	Explanation
Form 990, Part VI, Line 19	Childrens makes financial statement information public through a summary of financial performance in its annual report. In addition, financial statements are provided publicly through Digital Assurance Certification, a dissemination agent, who therefore make this information publicly available. Children's governing documents and conflict of interest policy are not available to the public.

Return Reference	Explanation
Form 990, Part XI, Line 9	Changes in Net Assets RSVP Retirement plan-related changes 4,529,234 Change in value of interest rate swap valuation 681,485 Change in beneficial interest of net assets of Foundation (2,020,922) Other change (151) Total to Form 990, Part XI, Line 9 3,189,646

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Medical Residents - Pediatrics TOTAL FEES 3727789

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Consulting Fees TOTAL FEES 4262069

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Data Processing TOTAL FEES 7446

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Security TOTAL FEES 25093

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Linen TOTAL FEES 1545262

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Purchased Services TOTAL FEES 58969390

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Stipends and Honorariums TOTAL FEES 226311

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Leased Equipment TOTAL FEES 2209028

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Maintenance/Service Contracts TOTAL FEES 2522823

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION Equipment Repair & Maintenance TOTAL FEES 1619634

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Children's Health Care

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

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

Employer identification number
41-1754276

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)Children's HC Services Inc DBA Minnetonk 2525 Chicago Ave S Minneapolis, MN 55404 41-1756478	Healthcare	MN	501(c)(3)	Line 3	Childrens HC	Yes	
(2)Children's Health Care Foundation 2525 Chicago Ave S Minneapolis, MN 55404 41-1814223	Healthcare	MN	501(c)(3)	Line 7	Childrens HC	Yes	
(3)Children's Clinic Network 2525 Chicago Ave S Minneapolis, MN 55404 45-3765330	Healthcare	MN	501(c)(3)	Line 3	Childrens HC	Yes	
(4)Mother Baby Facility LLC 2525 Chicago Ave S Minneapolis, MN 55404 45-4078371	Healthcare	MN	501(c)(3)	Line 11A	Childrens HC	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) None												

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)Children's Health Network 910 East 26th Street Suite 330 Minneapolis, MN 55404 46-3226418	Medical Services	MN	CHC	C Corp	65,418	3,350,652	100 000 %	Yes	
(2) Children's Health Insurance Network LTD PO Box 30600 Grand Cayman KY-1203 CJ	Insurance	CJ	CHC	C Corp	-201,022	6,969,495	100 000 %	Yes	

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l	Yes	
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	
1s	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: Children's Health Care

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

(a) Name of related organization		(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	Children's Health Care Foundation	c	15,228,472	accrual
(1)	Children's Health Care Foundation	l	6,212,875	accrual
(2)	Children's Health Care Foundation	o	5,234,169	accrual
(3)	Children's Health Care Foundation	r	12,961,256	accrual
(4)	Children's Health Care Services Inc	l	300,521	accrual
(5)	Children's Health Care Services Inc	o	364,525	accrual
(6)	Children's Health Care Services Inc	q	11,118,319	accrual
(7)	Children's Health Care Services Inc	p	6,818,419	accrual
(8)	Children's Clinic Network	l	1,036,898	accrual
(9)	Children's Clinic Network	o	251,647	accrual
(10)	Children's Clinic Network	p	2,197,574	accrual
(11)	Children's Clinic Network	q	46,557,460	accrual
(12)	Children's Clinic Network	r	46,947,188	accrual
(13)	Children's Clinic Network	s	280,796	accrual