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EXTENDED TO MAY 15, 2017

Form 990 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

Department of the Treasury
Internal Revenue Service

A For the 2015 calendar year, or tax year beginning JUL 1, 2015 and ending JUN 30, 2016

B Check if applicable:
- [ ] Address change
- [X] Name change
- [ ] Initial return
- [ ] Final return/ terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization
ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
13 CHILDREN'S WAY

City or town, state or province, country, and ZIP or foreign postal code
LITTLE ROCK, AR 72202

F Name and address of principal officer. GREGORY L. KEARNS
SAME AS C ABOVE

D Employer identification number
71-0694931

E Telephone number
(501) 364-2555

G Gross receipts $ 27,781,310.

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [ ] No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.ARCHILDRENS.ORG

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1990

M State of legal domicile: AR

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO IMPROVE CHILDREN'S HEALTH, DEVELOPMENT AND WELL BEING THROUGH HIGH QUALITY RESEARCH.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	191
6	Total number of volunteers (estimate if necessary)	6	37
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	28,819,959.	27,673,466.
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-10,372.	18,098.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	48,180.	89,746.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	28,857,767.	27,781,310.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	291,063.	203,623.
	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)	18,673,203.	17,441,070.
	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)	9,588,145.	9,341,876.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	28,552,411.	26,986,569.
	19 Revenue less expenses. Subtract line 18 from line 12	305,356.	794,741.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	34,998,086.	40,797,459.
	21 Total liabilities (Part X, line 26)	2,155,649.	2,595,102.
	22 Net assets or fund balances. Subtract line 21 from line 20	32,842,437.	38,202,357.

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Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 03 MAY 2017

GREGORY L. KEARNS, PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: ALLISON FRANKLIN	Preparer's signature: Allison Franklin	Date: 4/27/17	Check [ ] if self-employed	PTIN: P00448640
Firm's name ▶ KPMG, LLP			Firm's EIN ▶ 13-5565207	
Firm's address ▶ 300 NORTH GREENE STREET, SUITE 400 GREENSBORO, NC 27401			Phone no. 336-275-3394	

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

SCANNED JUN 05 2017

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Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
TO IMPROVE CHILDREN'S HEALTH, DEVELOPMENT AND WELL BEING THROUGH HIGH QUALITY RESEARCH.

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 [X] 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 [X] 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 $ 21,918,795. including grants of $ 203,623.) (Revenue $ 94,746.)
THE VISION OF ARKANSAS CHILDREN'S RESEARCH INSTITUTE IS TO BE A LEADER IN CUTTING-EDGE RESEARCH THAT IMPROVES THE HEALTH AND WELL-BEING OF CHILDREN AND THEIR FAMILIES.

IN SUPPORT OF THIS VISION, ARKANSAS CHILDREN'S RESEARCH INSTITUTE AIMS TO (1) RECRUIT AND RETAIN HIGHLY QUALIFIED SCIENTISTS; (2) PROVIDE AN EXCEPTIONAL ENVIRONMENT FOR RESEARCH; (3) SEEK AND OBTAIN APPROPRIATE FUNDING FOR RESEARCH; (4) MANAGE AND LEVERAGE RESOURCES TO SUCCEED IN ITS MISSION; (5) SUPPORT TRANSFER OF DISCOVERIES TO INDUSTRY TO CREATE JOBS IN ARKANSAS; (6) FORM PRODUCTIVE COLLABORATIONS WITH OTHER INSTITUTIONS, ESPECIALLY THOSE IN ARKANSAS; (7) PROMOTE A STRONG RESEARCH CAPABILITY TO SUPPORT RECRUITMENT OF THE BEST POSSIBLE

4b (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

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

4e Total program service expenses ▶ 21,918,795.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
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		X
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		X
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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	X	
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	X	
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		X
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		X
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		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
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	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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		X
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		X
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		X
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*	17		X
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		X
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		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
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	X	
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		X
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	X	
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		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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		X
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		X
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		X
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		X
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		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
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		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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		X
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
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		
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		X
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		X
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	X	

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	64		
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	X	
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	191		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
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		
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		X
b	If "Yes," enter the name of the foreign country: ▶ _____ 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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
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		X
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		X
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		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
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		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	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		X
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 line 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 [X]

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	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
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			X
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			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
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		X	
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		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
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			X

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		X
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	X	
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	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	X	
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		X
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 ▶ NONE

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

[ ] Own website [ ] Another's website [X] 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: ▶

GENA WINGFIELD - (501) 364-2555

1 CHILDREN'S WAY, LITTLE ROCK, AR 72202

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			
(1) MARCELLA DODERER	0.50									
CHAIRMAN OF THE BOARD/DIRE	49.50	X		X				0.	740,662.	118,101.
(2) ELIZABET BORSHEIM	0.13									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.00	X						0.	0.	0.
(3) RON CLARK	0.04									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.93	X						0.	0.	0.
(4) DEE ANN ENGLISH	0.14									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(5) ELLEN GRAY	0.04									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.00	X						0.	0.	0.
(6) RICHARD JACOBS, M.D.	0.18									
VICE CHAIR/DIRECTOR	40.00	X		X				0.	107,943.	0.
(7) MARK MILLSAP	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(8) POPE MOSELEY	0.15									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(9) JEFFREY NOLAN	0.12									
TRUSTEE/DIRECTOR	0.88	X						0.	0.	0.
(10) KATHY PERKINS	0.10									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.00	X						0.	0.	0.
(11) ROBERT PORTER, M.D.	0.09									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.10	X						0.	0.	0.
(12) DANIEL RAHN, M.D.	0.04									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	0.36	X						0.	0.	0.
(13) JOSE ROMERO, M.D.	0.04									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	40.00	X						56,516.	256,176.	0.
(14) MARK SAVIERS	0.10									
TRUSTEE/DIRECTOR (PARTIAL YEAR)	1.23	X						0.	0.	0.
(15) ROSS WHIPPLE	0.04									
TREASURER/DIRECTOR (PARTIAL YEAR)	0.00	X		X				0.	0.	0.
(16) GREGORY KEARNS	50.00									
PRESIDENT	0.00	X						200,968.	0.	410.
(17) DAN ACOSTA	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.

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 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			
(18) LARRY CORNETT	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(19) JOYCELYN ELDERS, M.D.	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(20) STACIE JONES, M.D.	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(21) SHARON SWAN	0.10									
TRUSTEE/DIRECTOR	0.00	X						0.	0.	0.
(22) BARRY BRADY	40.00									
VICE PRESIDENT	0.00				X			162,450.	0.	24,401.
(23) BILLY FURGERSON	40.00									
PHARMACY COORDINATOR	0.00					X		124,817.	0.	14,395.
(24) THOMAS BLAKE HARRISON	40.00									
ACHRI ANIMAL RESEARCH DIRE	0.00					X		108,267.	0.	14,839.
1b Sub-total ▶								653,018.	1,104,781.	172,146.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								653,018.	1,104,781.	172,146.

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 ▶ 4

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

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
UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES 4301 WEST MARKHAM, LITTLE ROCK, AR 72205	MEDICAL SERVICES	12,251,240.
REGENTS OF THE UNIVERSITY OF CALIFORNIA, ACCOUNTING OFFICE - EMF, BOX 0812, SAN	RESEARCH SERVICES	134,172.

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 ▶ 2

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	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	7,299,501.				
	e Government grants (contributions)	1e	17,231,185.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3,142,780.				
	g Noncash contributions included in lines 1a-1f $		1,006,958.				
	h **Total.** Add lines 1a-1f			27,673,466.			
Program Service Revenue		**Business Code**					
	2 a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g **Total.** Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			13,098.			13,098.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6 a Gross rents	29,556.					
	b Less: rental expenses	0.					
	c Rental income or (loss)	29,556.					
	d Net rental income or (loss)			29,556.	29,556.		
		(i) Securities	(ii) Other				
	7 a Gross amount from sales of assets other than inventory		5,000.				
	b Less: cost or other basis and sales expenses		0.				
	c Gain or (loss)		5,000.				
	d Net gain or (loss)			5,000.	5,000.		
	8 a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less. direct expenses	b					
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
	10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
	Miscellaneous Revenue	**Business Code**					
	11 a PCRU	900099		38,199.	38,199.		
	b OTHER	900099		21,991.	21,991.		
	c						
	d All other revenue						
	e **Total.** Add lines 11a-11d			60,190.			
	12 **Total revenue.** See instructions.			27,781,310.	94,746.	0.	13,098.

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	203,623.	203,623.		
2	Grants and other assistance to domestic individuals. See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	631,444.		631,444.	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	13,718,999.	12,856,092.	862,907.	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits	3,090,627.	2,966,560.	124,067.	
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management				
b	Legal	17,593.	17,593.		
c	Accounting	23,500.	3,500.	20,000.	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	2,535,768.	1,287,456.	1,248,312.	
12	Advertising and promotion	66,671.	66,671.		
13	Office expenses	310,813.	196,537.	114,276.	
14	Information technology	228,851.	211,347.	17,504.	
15	Royalties				
16	Occupancy	394,224.	13,008.	381,216.	
17	Travel	297,491.	278,579.	18,912.	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	92,433.	79,475.	12,958.	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,053,110.	615,729.	1,437,381.	
23	Insurance	19,054.	19,054.		
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	1,098,432.	1,097,840.	592.	
b	OFFICE LEASES	328,433.	328,433.		
c	STIPENDS & PATIENT CARE	257,568.	257,568.		
d	MINOR EQUIPMENT	107,036.	38,209.	68,827.	
e	All other expenses	1,510,899.	1,381,521.	129,378.	
25	**Total functional expenses.** Add lines 1 through 24e	26,986,569.	21,918,795.	5,067,774.	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) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		220,853.	1	99,368.
	2	Savings and temporary cash investments		13,913,469.	2	15,423,394.
	3	Pledges and grants receivable, net		3,301,256.	3	3,460,567.
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	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 instr). Complete Part II of Sch L			6	
	7	Notes and loans receivable, net		12,947.	7	2,638.
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		25,440.	9	23,899.
	10a	Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a 54,048,067.			
	b	Less: accumulated depreciation	10b 32,260,474.	17,524,121.	10c	21,787,593.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		34,998,086.	16	40,797,459.
Liabilities	17	Accounts payable and accrued expenses		2,155,649.	17	2,591,080.
	18	Grants payable			18	
	19	Deferred revenue			19	4,022.
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		2,155,649.	26	2,595,102.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		20,910,999.	27	24,488,500.
	28	Temporarily restricted net assets		11,931,438.	28	13,713,857.
	29	Permanently restricted net assets			29	
		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		32,842,437.	33	38,202,357.
	34	Total liabilities and net assets/fund balances		34,998,086.	34	40,797,459.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	27,781,310.
2	Total expenses (must equal Part IX, column (A), line 25)	2	26,986,569.
3	Revenue less expenses Subtract line 2 from line 1	3	794,741.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	32,842,437.
5	Net unrealized gains (losses) on investments	5	
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	4,565,179.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	38,202,357.

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] 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	2a		X
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 [X] Consolidated basis [ ] Both consolidated and separate basis	2b	X	
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	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **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

Name of the organization	Employer identification number
ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.	71-0694931

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? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
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.")	34,288,349.	32,254,838.	29,636,466.	28,868,135.	26,726,698.	151,774,486.
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	34,288,349.	32,254,838.	29,636,466.	28,868,135.	26,726,698.	151,774,486.
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						151,774,486.

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	34,288,349.	32,254,838.	29,636,466.	28,868,135.	26,726,698.	151,774,486.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,884.	1,856.	1,778.	1,958.	42,654.	50,130.
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						151,824,616.

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 99.97 %

15 Public support percentage from 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 in line 11 on 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 (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) 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 section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	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 I of Schedule L (Form 990 or 990-EZ).*	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 9a) 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 9a) 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 section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b 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		

Part IV Supporting Organizations *(continued)*

		Yes	No
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	

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? *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.*	1	
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? *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*	2	

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)? *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)*	1	

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, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
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? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s)*	2	
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? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard*	3	

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 yea* ***(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)*

		Yes	No
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? *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*	2a	
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? *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*	2b	
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.***	3a	
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*	3b	

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):			
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	Excess from 2014			
e	Excess 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.)

SCHEDULE A, PART I, LINE 8

IN FISCAL YEAR 2016, THERE WAS A CHANGE IN GOVERNANCE INVOLVING THE ARKANSAS CHILDREN'S RESEARCH INSTITUTE WHICH RESULTED IN A CHANGE IN ACRI'S PUBLIC CHARITY STATUS. EFFECTIVE FOR TAX YEAR 2015 AND GOING FORWARD, ACRI IS NO LONGER A TYPE I SUPPORTING ORGANIZATION AND IS NOW CLASSIFIED AS AN ORGANIZATION THAT NORMALLY RECEIVES A SUBSTANTIAL PART OF ITS SUPPORT FROM A GOVERNMENTAL UNIT OR FROM THE GENERAL PUBLIC AS DESCRIBED IN SECTION 170(B)(1)(A)(VI). AS THIS TYPE OF ENTITY, ACRI COMPLETES THE PUBLIC SUPPORT TEST IN PART II.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ 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.*

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization	Employer identification number
ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.	71-0694931

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) ☐ Preservation of a historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	35,176,144.	34,747,816.	31,085,561.	24,237,370.	23,584,523.
b Contributions	1,200,376.	2,371,412.	233,774.	4,733,209.	455,032.
c Net investment earnings, gains, and losses	4,457,931.	508,103.	3,987,278.	2,177,999.	257,639.
d Grants or scholarships					
e Other expenditures for facilities and programs	5,664,865.	2,451,187.	558,797.	63,017.	59,825.
f Administrative expenses					
g End of year balance	35,169,586.	35,176,144.	34,747,816.	31,085,561.	24,237,369.

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

a Board designated or quasi-endowment ▶ 74.55 %
b Permanent endowment ▶ 9.20 %
c Temporarily restricted endowment ▶ 16.25 %

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.

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

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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		43,007,381.	25,275,757.	17,731,624.
c Leasehold improvements				
d Equipment		2,740,277.	2,003,070.	737,207.
e Other		8,300,409.	4,981,647.	3,318,762.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				21,787,593.

Schedule D (Form 990) 2015

532052
09-21-15

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12

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

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	

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

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.

PART V, LINE 4:

EARNINGS FROM ENDOWMENT FUNDS WILL BE USED TO SUPPORT VARIOUS RESEARCH STUDIES AT ACRI. THE FILING ORGANIZATION DOES NOT HOLD ANY ENDOWMENTS; ALL ENDOWMENTS ARE HELD BY ARKANSAS CHILDREN'S HOSPITAL FOUNDATION, A RELATED ORGANIZATION.

PART X, LINE 2:

NOTE: THE AUDIT IS COMPRISED OF THE CONSOLIDATED FINANCIAL STATEMENTS OF ARKANSAS CHILDREN'S, INC., ARKANSAS CHILDREN'S HOSPITAL, ARKANSAS CHILDREN'S HOSPITAL FOUNDATION, ARKANSAS CHILDREN'S RESEARCH INSTITUTE, ARKANSAS CHILDREN'S NORTHWEST, AND ARKANSAS CHILDREN'S HOSPITAL BUILDING RESEARCH FACILITY (COLLECTIVELY, ARKANSAS CHILDREN'S).

Part XIII Supplemental Information *(continued)*

FOOTNOTE:

ARKANSAS CHILDREN'S APPLIES FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ASC TOPIC 740 (TOPIC 740), ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. TOPIC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS AND PROVIDES GUIDANCE ON WHEN TAX POSITIONS ARE RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS AND HOW THE VALUES OF THESE POSITIONS ARE DETERMINED. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY ARKANSAS CHILDREN'S AND HAS CONCLUDED THAT AS OF JUNE 30, 2016 AND 2015, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number 71-0694931

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

1 (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
ACH BUILDING RESEARCH FACILITY, INC. - 1 CHILDREN'S WAY - LITTLE ROCK, AR 72202	91-1940376	501(C)(3)	140,771.	0.			GENERAL SUPPORT
FAMILY VOICES OF NORTH DAKOTA, INC. - BOX 163 - EDGELEY, ND 58433	31-1747994	501(C)(3)	5,850.	0.			HIPPY TRANSFER TO ACH
NORTH DAKOTA DEPT OF HEALTH 600 E. BOULEVARD AVENUE, DPT 301 BISMARCK, ND 58505	45-0309764	STATE GOVERNMENT	5,000.	0.			HEARTLAND GENETIC SERVICES COLLABORATIVE & CARE COORDINATION

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

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

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

Schedule I (Form 990) (2015)

532101
10-28-15

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

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

PART I, LINE 2:

THE MAJORITY OF THE ASSISTANCE PROVIDED BY ACRI IS TO RELATED ORGANIZATIONS; HOWEVER, SOME CASH AND NON-CASH ASSISTANCE IS PROVIDED TO OTHER NON-PROFIT OR GOVERNMENTAL ENTITIES FOR PROJECTS THAT ARE DIRECTLY RELATED TO ONGOING RESEARCH AT ACRI. ACRI ANTICIPATES THAT THESE ENTITIES WILL MONITOR THE USE OF FUNDS IN ACCORDANCE WITH NON-PROFIT OR GOVERNMENTAL REQUIREMENTS.

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: ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number: 71-0694931

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.		
	[X] 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 on 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	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
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.			
	[X] Compensation committee			
	[X] Independent compensation consultant			
	[ ] Form 990 of other organizations			
	[ ] Written employment contract			
	[X] Compensation survey or study			
	[X] 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?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 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?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III			
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?	6a		X
b	Any related organization?	6b		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7		X
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		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

For each individual whose compensation must be reported 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				
(1) MARCELLA DODERER	(i)	0.	0.	0.	0.	0.	0.	0.
CHAIRMAN OF THE BOARD/DIRE	(ii)	601,672.	138,000.	990.	106,096.	12,005.	858,763.	0.
(2) JOSE ROMERO, M.D.	(i)	0.	0.	56,516.	0.	0.	56,516.	0.
TRUSTEE/DIRECTOR (PARTIAL YEAR)	(ii)	0.	0.	256,176.	0.	0.	256,176.	0.
(3) GREGORY KEARNS	(i)	174,681.	25,000.	1,287.	0.	410.	201,378.	0.
PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) BARRY BRADY	(i)	139,760.	22,428.	262.	13,381.	11,020.	186,851.	0.
VICE PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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.

PART I, LINE 1A:

CHARTER TRAVEL IS USED BY ARKANSAS CHILDREN'S, ARKANSAS CHILDREN'S HOSPITAL, ARKANSAS CHILDREN'S HOSPITAL FOUNDATION, AND ARKANSAS CHILDREN'S RESEARCH INSTITUTE BOARD MEMBERS AND STAFF (AND OCCASIONALLY ACCOMPANYING SPOUSES/COMPANIONS) WHEN IT IS DEEMED THE MOST EFFICIENT METHOD OF TRAVEL TO DISTANT AREAS WITHIN THE STATE OR TO SURROUNDING STATES FOR PURPOSES RELATED TO ARKANSAS CHILDREN'S BUSINESS. SEPARATE TRAVEL (NON-CHARTER) FOR COMPANIONS IS REIMBURSED BY THE EMPLOYEE IF SUCH TRAVEL IS ON AN INDIVIDUAL BASIS; THUS, SUCH TRAVEL IS NOT CONSIDERED TAXABLE COMPENSATION TO THE EMPLOYEE.

PART I, LINE 3:

COMPENSATION FOR ANY ARKANSAS CHILDREN'S RESEARCH INSTITUTE SENIOR OFFICER (PRESIDENT; SENIOR VICE PRESIDENT) WHO IS NOT A CONTRACTED UAMS EMPLOYEE IS REVIEWED BY THE ARKANSAS CHILDREN'S HUMAN RESOURCES AND COMPENSATION COMMITTEE WHICH IS ESTABLISHED THROUGH THE BYLAWS OF ARKANSAS CHILDREN'S, INC. THE HUMAN RESOURCES AND COMPENSATION COMMITTEE HAS THE FULL AUTHORITY AND SPECIFIC RESPONSIBILITY FOR REVIEWING AND APPROVING COMPENSATION

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

POLICIES, BASE SALARY AND INCENTIVE COMPENSATION LEVELS, EXECUTIVE RETIREMENT AND OTHER EXECUTIVE BENEFIT PLANS FOR HEALTH SYSTEM SENIOR MANAGEMENT, INCLUDING OFFICERS OF THE CORPORATION AND AFFILIATES WHO ARE "DISQUALIFIED PERSONS" UNDER SECTION 4958 OF THE CODE. THE POLICIES AND PROGRAMS REVIEWED AND APPROVED BY THE HUMAN RESOURCES AND COMPENSATION COMMITTEE SHALL BE DESIGNED TO ENSURE THAT THE CORPORATION AND ITS AFFILIATES REMAIN COMPETITIVE AND REASONABLE RELATIVE TO THE COMPENSATION AND BENEFITS PRACTICES OF SIMILARLY SITUATED HEALTH SYSTEMS LOCALLY AND NATIONALLY, AND TO PERMIT THE CORPORATION AND SUCH AFFILIATES TO ATTRACT AND RETAIN SUPERIOR SENIOR MANAGEMENT, IN FURTHERANCE OF THE CORPORATION'S AND AFFILIATES PURPOSES. THE HUMAN RESOURCES AND COMPENSATION COMMITTEE SHALL HAVE, TO THE FULLEST EXTENT OF THE LAW, THE AUTHORITY TO APPROVE THE COMPENSATION PACKAGES FOR SENIOR MANAGEMENT OF THE CORPORATION AND THE AFFILIATES.

PART I, LINE 4B:

ARKANSAS CHILDREN'S HOSPITAL HAS SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS TO PROVIDE EXECUTIVES WITH RETIREMENT AND DEATH BENEFITS. THE PLANS ARE INTENDED TO CONSTITUTE UNFUNDED PLANS FOR A SELECT GROUP OF MANAGEMENT OR

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.

HIGHLY COMPENSATED EMPLOYEES WITHIN THE MEANING OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED.

THE ORIGINAL SUPPLEMENTAL RETIREMENT PLAN (SERP) WAS FROZEN TO NEW PARTICIPANTS IN FY14; HOWEVER, TWO ACH EXECUTIVES REMAINED IN THE PLAN.

DURING THE 2015 TAX YEAR, THERE WERE NO ACRI REPORTABLE INDIVIDUALS ELIGIBLE TO PARTICIPATE.

EFFECTIVE 6/30/2014, ACH INITIATED A NEW EXECUTIVE COMPENSATION PLAN, THE "DEFERRED COMPENSATION PLAN" (DCP). THE DCP IS A 457(F) NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN, PROVIDING ANNUAL CONTRIBUTIONS TO CERTAIN EXECUTIVES AT A PERCENTAGE OF THEIR BASE SALARY IN EFFECT ON JUNE 30 OF THE PLAN YEAR. PER THE PLAN DOCUMENT, EACH DCP CONTRIBUTION FOR A PLAN YEAR AND ITS ASSOCIATED EARNINGS VEST ON THE EARLIER OF:

- THE FIRST DAY OF THE PLAN YEAR FOLLOWING THREE YEARS OF SERVICE WHICH BEGINS ON THE FIRST DAY OF THE PLAN YEAR FOR WHICH THE CONTRIBUTION IS CREDITED.
- ATTAINMENT OF AGE 65 AND AT LEAST 3 YEARS OF SERVICE AS A DCP

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.

PARTICIPANT

- DEATH OR PERMANENT DISABILITY

- INVOLUNTARY TERMINATION (OTHER THAN FOR CAUSE)

- PLAN TERMINATION

FOR TAX YEAR 2015 (FISCAL YEAR 2016), THE FOLLOWING ACRI REPORTABLE EMPLOYEES WERE ELIGIBLE TO PARTICIPATE IN THE DCP PLAN:

- MARCELLA DODERER: ACH PRESIDENT/CEO (ACRI CHAIRMAN OF THE BOARD)

- GREGORY KEARNS: ACRI PRESIDENT

NEITHER OF THE ELIGIBLE EMPLOYEES LISTED ABOVE RECEIVED PAYMENT FROM THE PLAN DURING THE PERIOD REPORTED.

FORM 990, PART VII, SECTION A, LINE 5 AND SCHEDULE J, PART II, LINE 2

DIRECTOR JOSE ROMERO, M.D. WAS COMPENSATED BY UAMS AS AN EMPLOYEE FOR SERVICES RENDERED TO ARKANSAS CHILDREN HOSPITAL (ACH) AND ARKANSAS CHILDREN'S RESEARCH INSTITUTE (ACRI) AND FOR WHICH ACH AND ACRI REMITTED PAYMENT LISTED AS "REPORTABLE COMPENSATION FROM THE ORGANIZATION" AND "REPORTABLE COMPENSATION FROM RELATED ORGANIZATIONS"

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.

IN PART VII OF FORM 990.

THE AMOUNTS NOTED AS COMPENSATION IN SCHEDULE J FOR ROMERO ARE THE DESIGNATED AMOUNTS PER THE RELATED CONTRACTS WITH UAMS.

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule L (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: ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number: 71-0694931

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) No
Total					▶ $							

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
PATRICIA BRADY	FAMILY MEMBER	57,331.	SEE PART V.		X

Part V Supplemental Information

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: PATRICIA BRADY

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER

(C) AMOUNT OF TRANSACTION $ 57,331.

(D) DESCRIPTION OF TRANSACTION: SEE PART V. ARKANSAS CHILDREN'S RESEARCH INSTITUTE EMPLOYEE, PATRICIA BRADY, IS A FAMILY MEMBER OF OFFICER BARRY BRADY; HOWEVER, CONSISTENT WITH POLICY, SHE DOES NOT WORK WITHIN MR. BRADY'S LINE OF AUTHORITY.

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2015

Open To Public Inspection

Name of the organization: ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number: 71-0694931

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				
5	Clothing and household goods				
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				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (INDIRECT SUPP)	X	1	1,006,958.	COST
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

			Yes	No
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	0	
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
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

SCHEDULE M, PART I, COLUMN (B):

FOR PURPOSES OF THIS SCHEDULE, ARKANSAS CHILDREN'S RESEARCH INSTITUTE REPORTS THE QUANTITIES IN COLUMN B BASED ON THE NUMBER OF CONTRIBUTIONS (BY DONOR), NOT THE NUMBER OF ITEMS CONTRIBUTED, IN ACCORDANCE WITH HISTORICAL RECORD KEEPING PRACTICES.

THE CONTRIBUTION NOTED IN PART I IS RECEIVED FROM ARKANSAS CHILDREN'S HOSPITAL AS INDIRECT SUPPORT TO ACRI INCLUDING SALARIES, OFFICE EXPENSES, DEPRECIATION, FEES FOR SERVICES, AND OTHER EXPENSES.

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: ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number: 71-0694931

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

PHYSICIANS FOR THE CAMPUS; AND (8) SERVE AS A KEY LEARNING LABORATORY FOR VARIOUS TRAINEES TO LEARN THE DISCIPLINES AND METHODOLOGIES OF RESEARCH.

FORM 990, PART VI, SECTION A, LINE 1:

DURING THE INTERVALS BETWEEN MEETINGS OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE SHALL POSSESS AND MAY EXERCISE ALL THE POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS IN THE MANAGEMENT AND DIRECTION OF THE AFFAIRS OF THE CORPORATION IN ALL CASES IN WHICH SPECIFIC DIRECTIONS SHALL NOT HAVE BEEN GIVEN BY THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 2:

ALTHOUGH NOT CONSIDERED COVERED RELATIONSHIPS AS NOTED IN PART VI, SECTION A, LINE 2, THE FOLLOWING DIRECTORS WERE ALL EMPLOYEES OF THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES (UAMS) DURING THE TAX YEAR: RICHARD JACOBS, M.D.; DANIEL RAHN, M.D.; AND JOSE ROMERO, M.D.

FORM 990, PART VI, SECTION A, LINE 4:

THE ARKANSAS CHILDREN'S RESEARCH INSTITUTE AMENDED AND RESTATED ITS BY-LAWS AND ARTICLES OF INCORPORATION AS OF JUNE 7, 2016. ACRI REMAINS A NON-PROFIT PUBLIC BENEFIT CORPORATION UNDER THE LAWS OF THE STATE OF ARKANSAS.

SIGNIFICANT CHANGES AFFECTING GOVERNANCE ARE AS FOLLOWS:

*THE NAME OF THE CORPORATION IS ARKANSAS CHILDREN'S RESEARCH INSTITUTE

Name of the organization ARKANSAS CHILDREN'S RESEARCH INSTITUTE, INC.

Employer identification number 71-0694931

(ACRI), CHANGED FROM ARKANSAS CHILDREN'S HOSPITAL RESEARCH INSTITUTE.

*ARKANSAS CHILDREN'S RESEARCH INSTITUTE IS NOW PART OF THE NEWLY FORMED HEALTH SYSTEM UNDER ONE CONTROLLING ENTITY, ARKANSAS CHILDREN'S, INC.

*THE SOLE MEMBER OF ACRI IS NOW ARKANSAS CHILDREN'S, INC., CHANGED FROM ARKANSAS CHILDREN'S HOSPITAL, INC.

*THE PURPOSE OF ACRI HAS BEEN CHANGED TO THE FOLLOWING: "THE CORPORATION IS ORGANIZED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES, RELIEF OF THE POOR AND DISTRESSED AND LESSENING THE BURDENS OF GOVERNMENT WITHIN THE MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE...INCLUDING TO IMPROVE AND PROMOTE THE HEALTH AND WELFARE OF THE POPULATION OF THE STATE OF ARKANSAS AND TO SUPPORT AND PROMOTE THE ADVANCEMENT OF SCIENTIFIC AND MEDICAL EDUCATION, TRAINING, RESEARCH, AND KNOWLEDGE FOR THE BENEFIT OF THE GENERAL PUBLIC, BY:

A) CONDUCTING, FACILITATING AND SUPPORTING THE CONDUCT OF SCIENTIFIC AND MEDICAL RESEARCH RELATING TO THE CAUSES AND PREVENTION OF AND DEVELOPING CURES, TREATMENTS AND THERAPIES FOR DISEASES, CONDITIONS, AILMENTS AND INJURIES, PARTICULARLY WITH RESPECT TO THE HEALTH AND WELLBEING OF CHILDREN, AND THE GENERAL ADVANCEMENT OF KNOWLEDGE IN THE MEDICAL SCIENCES, SUBJECT TO OBTAINING SUCH LICENSURE, CONSENT AND APPROVALS AS REQUIRED BY APPLICABLE LAW;

B) PUBLISHING AND OTHERWISE DISSEMINATING THE RESULTS OF THE CORPORATION'S RESEARCH TO ENHANCE THE QUALITY OF PEDIATRIC HEALTHCARE AND RESEARCH AND OF EDUCATION IN THE FIELDS OF PEDIATRIC HEALTHCARE AND RESEARCH;

C) CONDUCTING, FACILITATING AND SUPPORTING EDUCATION AND TRAINING IN THE FIELDS OF PEDIATRIC SCIENTIFIC AND MEDICAL RESEARCH;

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D) MAKING GRANTS AND CHARITABLE CONTRIBUTIONS AND TO PROVIDE OTHER FINANCIAL AND OTHER SUPPORT TO, AND OTHERWISE PROMOTE THE PURPOSES OF, THE SOLE MEMBER AND THE SECTION 501(C)(3) TAX-EXEMPT ENTITIES THAT ARE DIRECTLY OR INDIRECTLY CONTROLLED BY THE SOLE MEMBER, INCLUDING ARKANSAS CHILDREN'S HOSPITAL AND ARKANSAS CHILDREN'S NORTHWEST, INC., SUBJECT TO THE RESTRICTIONS HEREINAFTER SET FORTH AND/OR IMPOSED BY DONORS OR OTHERWISE BY APPLICABLE LAW;

E) SUPPORTING AND FURTHERING THE CHARITABLE HEALTHCARE MISSION OF THE INTEGRATED GROUP OF AFFILIATED HEALTH CARE PROVIDERS AND RELATED ENTITIES OF WHICH THE SOLE MEMBER IS THE DIRECT OR INDIRECT SOLE MEMBER;

F) BENEFITING, PROMOTING, AND FURTHERING THE PURPOSES OF THOSE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS THAT ARE DIRECTLY OR INDIRECTLY CONTROLLED BY THE SOLE MEMBER, INCLUDING BY MAKING GRANTS, GUARANTEEING DEBT, PROVIDING SERVICES AND OTHER FORMS OF SUPPORT, AND/OR OTHER MEANS;

G) OTHERWISE PROMOTING THE HEALTH AND WELFARE OF THE POPULATION OF THE STATE OF ARKANSAS, AND CHILDREN IN PARTICULAR..."

..CONTINUED BELOW..

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE MEMBER OF ACRI IS ARKANSAS CHILDREN'S, INC., AN ARKANSAS NONPROFIT PUBLIC BENEFIT CORPORATION (THE "SOLE MEMBER").

FORM 990, PART VI, SECTION A, LINE 7A:

ARKANSAS CHILDREN'S, INC., ACRI'S SOLE MEMBER, HAS THE RESERVED POWER TO FIX THE SIZE OF THE BOARD OF DIRECTORS, AND THE GOVERNING BOARD OF ANY AFFILIATE CONTROLLED BY THE CORPORATION, AND APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE DIRECTORS OF THE CORPORATION, AND MEMBERS OF THE

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GOVERNING BOARD OF ANY AFFILIATE CONTROLLED BY THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 7B:

ACRI'S ARTICLES OF INCORPORATION MAY BE AMENDED, AND THE BYLAWS MAY BE ALTERED, AMENDED, OR REPEALED AND NEW BYLAWS MAY BE ADOPTED: (I) UPON THE APPROVAL OF BOTH THE BOARD AND THE SOLE MEMBER, IF THE AMENDMENT DOES NOT RELATE TO THE NUMBER OF DIRECTORS, THE COMPOSITION OF THE BOARD, THE TERM OF OFFICE OF DIRECTORS, OR THE METHOD OR WAY IN WHICH DIRECTORS ARE ELECTED OR SELECTED; OR (II) BY THE MEMBER.

FORM 990, PART VI, SECTION B, LINE 11:

THE DRAFT FORM 990, WHICH IS RECONCILED TO THE ARKANSAS CHILDREN'S RESEARCH INSTITUTE'S (ACRI) INTERNAL FINANCIAL STATEMENTS AND THE ARKANSAS CHILDREN'S, INC. CONSOLIDATED AUDIT REPORT, IS INITIALLY REVIEWED IN DETAIL WITH ACRI'S PRESIDENT AND VICE PRESIDENT. THE DRAFT IS ALSO REVIEWED IN DETAIL WITH BOTH THE SVP/CFO AND THE VP OF FINANCIAL OPERATIONS OF ARKANSAS CHILDREN'S, INC. IF THE REVIEW BY ACRI'S MANAGEMENT RESULTS IN REVISIONS TO THE DRAFT FORM 990, THOSE REVISIONS ARE MADE, AND THE FORM 990 TO BE FILED IS PROVIDED TO THE ACRI BOARD OF DIRECTORS PRIOR TO THE RETURN BEING FILED. IN ADDITION, THE FORM 990 IS PROVIDED TO BOTH THE CHAIRMAN OF THE BOARD AND THE TREASURER OF ARKANSAS CHILDREN'S, INC.

FORM 990, PART VI, SECTION B, LINE 12C:

ARKANSAS CHILDREN'S MAINTAINS A CONFLICT OF INTEREST POLICY WHICH PERTAINS TO ALL RELATED ENTITIES. FOLLOWING ARE THE DETAILS REGARDING MONITORING AND COMPLIANCE:

A. CONSISTENT WITH THE ARKANSAS CHILDREN'S CODE OF CONDUCT, ALL EMPLOYEES OR THOSE SERVING ON ARKANSAS CHILDREN'S-RELATED COMMITTEES MUST DISCLOSE

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ANY EMPLOYMENT, TRANSACTION, OR OTHER ARRANGEMENT THAT MAY CAUSE A CONFLICT OF INTEREST. ALL PERSONS COVERED BY THIS POLICY MUST DISCLOSE POSSIBLE CONFLICTS OF INTEREST CAUSED BY THEIR WORK, OR A FAMILY MEMBER ASSOCIATED WITH ARKANSAS CHILDREN'S. ALL PARTIES MUST FURTHER AGREE TO MANAGE SUCH CONFLICTS IN ACCORDANCE WITH THIS POLICY AND ASSOCIATED PROCEDURES.

B. EACH EMPLOYEE AND VOLUNTEER MUST COMPLETE THE CONFLICT OF INTEREST STATEMENT AT THE TIME OF THEIR ANNUAL EVALUATION.

C. MEDICAL STAFF MEMBERS WILL COMPLETE AN INITIAL CONFLICT OF INTEREST STATEMENT DURING THE CREDENTIALING PROCESS AND THEN BI-ANNUALLY DURING THE REAPPOINTMENT APPLICATION PROCESS. THE MEDICAL STAFF OFFICE WILL FORWARD ANY STATEMENT THAT INCLUDES A CONFLICT TO THE COMPLIANCE OFFICER FOR REVIEW AND FURTHER ACTION, IF NEEDED.

D. IT IS THE RESPONSIBILITY OF EACH INDIVIDUAL TO IMMEDIATELY NOTIFY THEIR SUPERVISOR OF ANY CONFLICT AND REMOVE THEMSELVES FROM ANY DISCUSSION, EVALUATION, DELIBERATION THAT INVOLVES THEIR CONFLICT OF INTEREST.

E. THE COMPLIANCE OFFICER WILL REVIEW COMPLETED STATEMENTS AND IF NEEDED TAKE FURTHER ACTION, IN CONSULTATION WITH APPROPRIATE MANAGEMENT.

F. UPON REQUEST, PATIENTS OR THEIR LEGAL REPRESENTATIVES WILL BE GIVEN INFORMATION REGARDING PHYSICIAN CONFLICTS OF INTEREST RELATED TO THE PATIENT'S CARE. THIS INFORMATION CAN BE REQUESTED FROM THE CORPORATE COMPLIANCE OFFICE.

REGARDING BOARD CONFLICTS, THE ARKANSAS CHILDREN'S BOARD HAS ADOPTED, AND REQUIRES THE DIRECTORS, NON-DIRECTOR COMMITTEE MEMBERS, OFFICERS AND KEY EMPLOYEES OF EACH CORPORATION TO ADHERE TO, A CONFLICT OF INTEREST POLICY THAT IS SUBSTANTIALLY CONSISTENT WITH THE PRINCIPLES AND STANDARDS ESTABLISHED FOR ADDRESSING CONFLICTS OF INTEREST BY APPLICABLE LAW, REGULATION OR ADMINISTRATIVE GUIDANCE AND WITH PREVAILING BEST PRACTICES FOR SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS.

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THE BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY IS ISSUED TO AND REVIEWED WITH ALL NEW BOARD MEMBERS DURING THEIR BOARD ORIENTATION. IN ADDITION, EXTERNAL COUNSEL WILL PERIODICALLY REVIEW THE POLICY WITH THE FULL BOARD DURING A REGULAR BOARD MEETING.

A DIRECTOR SHALL DISCLOSE IN WRITING TO THE BOARD OF DIRECTORS ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST WHEN THE SITUATION DEVELOPS, INCLUDING THE FACTS THAT MAKE IT AN ACTUAL OR POTENTIAL CONFLICT. EACH DIRECTOR SHALL SIGN AN INITIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT UPON ELECTION TO THE BOARD OF DIRECTORS. EACH DIRECTOR ALSO SHALL SIGN AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT.

IF AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST DEVELOPS AFTER THE DIRECTOR'S INITIAL AND ANNUAL STATEMENTS ARE SIGNED, THE DIRECTOR SHALL IMMEDIATELY SIGN A NEW DISCLOSURE STATEMENT TO ADDRESS THE NEW SITUATION OR TRANSACTION. CONFLICT OF INTEREST DISCLOSURE STATEMENTS OR DECLARED CONFLICTS WILL BE REVIEWED BY THE DIRECTOR BOARD OFFICERS. REVIEW WILL RESULT IN ONE OF THE FOLLOWING ACTIONS BY MAJORITY VOTE: (1) DETERMINED NOT TO BE A CONFLICT; (2) CONFLICT IS ACCEPTED; OR (3) CONFLICT IS NOT ACCEPTED AND THE DIRECTOR WILL NEED TO ABSTAIN FROM PARTICIPATION IN CERTAIN VOTES.

CONFLICT DISCLOSURES, FACTS AND ACTIONS WILL BE DOCUMENTED IN THE APPROPRIATE COMMITTEE OR BOARD MINUTES.

A DIRECTOR WITH A CONFLICT OF INTEREST WILL NOT PARTICIPATE IN DELIBERATIONS OR VOTE BY THE BOARD OF DIRECTORS, OR COMMITTEE THEREOF, ON THE MATTER GIVING RISE TO THE CONFLICT. HE OR SHE MAY PRESENT RELEVANT INFORMATION ABOUT THE MATTER AND ALSO MAY RESPOND TO REQUESTS FOR FACTS NEEDED BY THE BOARD TO REACH AN INFORMED DECISION. AFTER ANY DISCUSSION, THE INTERESTED DIRECTOR SHALL EITHER ABSTAIN FROM VOTE OR RECUSE COMPLETELY AND BE ABSENT DURING FURTHER DELIBERATIONS AND ACTION ON THE MATTER, AS DETERMINED BY THE DIRECTOR BOARD OFFICERS OF THE ENTITY.

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FORM 990, PART VI, SECTION B, LINE 15:

COMPENSATION FOR ANY ACRI SENIOR OFFICER (PRESIDENT; SENIOR VICE PRESIDENT) WHO IS NOT A CONTRACTED UAMS EMPLOYEE IS REVIEWED BY THE ARKANSAS CHILDREN'S HUMAN RESOURCES AND COMPENSATION COMMITTEE WHICH IS ESTABLISHED THROUGH THE BYLAWS OF ARKANSAS CHILDREN'S, INC. THE HUMAN RESOURCES AND COMPENSATION COMMITTEE HAS THE FULL AUTHORITY AND SPECIFIC RESPONSIBILITY FOR REVIEWING AND APPROVING COMPENSATION POLICIES, BASE SALARY AND INCENTIVE COMPENSATION LEVELS, EXECUTIVE RETIREMENT AND OTHER EXECUTIVE BENEFIT PLANS FOR HEALTH SYSTEM SENIOR MANAGEMENT, INCLUDING OFFICERS OF THE CORPORATION AND AFFILIATES WHO ARE "DISQUALIFIED PERSONS" UNDER SECTION 4958 OF THE CODE. THE POLICIES AND PROGRAMS REVIEWED AND APPROVED BY THE HUMAN RESOURCES AND COMPENSATION COMMITTEE SHALL BE DESIGNED TO ENSURE THAT THE CORPORATION AND ITS AFFILIATES REMAIN COMPETITIVE AND REASONABLE RELATIVE TO THE COMPENSATION AND BENEFITS PRACTICES OF SIMILARLY SITUATED HEALTH SYSTEMS LOCALLY AND NATIONALLY, AND TO PERMIT THE CORPORATION AND SUCH AFFILIATES TO ATTRACT AND RETAIN SUPERIOR SENIOR MANAGEMENT, IN FURTHERANCE OF THE CORPORATION'S AND AFFILIATES PURPOSES. THE HUMAN RESOURCES AND COMPENSATION COMMITTEE SHALL HAVE, TO THE FULLEST EXTENT OF THE LAW, THE AUTHORITY TO APPROVE THE COMPENSATION PACKAGES FOR SENIOR MANAGEMENT OF THE CORPORATION AND THE AFFILIATES.

FORM 990, PART VI, SECTION C, LINE 18:

THE ARKANSAS CHILDREN'S RESEARCH INSTITUTE'S FORM 990 AND FORM 990-T ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST AS REQUIRED.

FORM 990, PART VI, SECTION C, LINE 19:

THE ARKANSAS CHILDREN'S RESEARCH INSTITUTE'S GOVERNING DOCUMENTS, CONFLICT

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OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST AS REQUIRED.

FORM 990, PART VI, SECTION A, LINE 4 (CONTINUED):

ADDITIONAL CHANGES REGARDING GOVERNANCE ARE AS FOLLOWS:

*IN THE EVENT OF DISSOLUTION, THE BOARD OF DIRECTORS SHALL, AFTER PAYING OR MAKING PROVISION FOR PAYMENT OF ALL LIABILITIES OF THE CORPORATION, DISTRIBUTE ITS ASSETS TO ONE OR MORE ENTITIES THAT ARE DIRECTLY OR INDIRECTLY CONTROLLED BY THE SOLE MEMBER AND/OR SUCCESSORS OF THE CORPORATION, IN SUCH PROPORTIONS AS THE BOARD SHALL DETERMINE, PROVIDED THAT EACH SUCH ORGANIZATION QUALIFIES AS EXEMPT FROM FEDERAL INCOME TAX.

*AS SOLE MEMBER OF ACRI, ARKANSAS CHILDREN'S, INC. HAS EXCLUSIVE AUTHORITY UNDER ARKANSAS LAW AND ACRI'S GOVERNING DOCUMENTS TO CERTAIN RESERVED POWERS, WHICH INCLUDE THE FOLLOWING:

(A) TO APPROVE AND MODIFY THE PURPOSES AND MISSION OF ACRI AND/OR AFFILIATES;

(B) TO FIX THE SIZE OF THE BOARD OF DIRECTORS AND APPOINT AND/OR REMOVE ITS MEMBERS;

(C) TO ESTABLISH FINANCIAL AND STRATEGIC PLANS OF ACRI AND/OR AFFILIATES;

(D) TO APPROVE ALL BUDGETS OF ACRI AND/OR AFFILIATES;

(E) TO CONTROL INVESTMENT OF ASSETS HELD BY OR ON BEHALF OF ACRI AND/OR AFFILIATES;

(F) TO APPROVE ANY UNBUDGETED CAPITAL EXPENDITURES MADE BY ACRI AND/OR AFFILIATES IN ACCORDANCE WITH POLICY;

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(G) TO APPROVE ANY REAL OR PERSONAL PROPERTY TRANSACTION MADE BY ACRI AND/OR AFFILIATES IN ACCORDANCE WITH POLICY;

(H) TO APPROVE INCURRENCE OF DEBT OR GUARANTEES MADE BY ACRI AND/OR AFFILIATES;

(I) TO APPROVE THE INITIATION OR SETTLEMENT OF ANY MATERIAL LEGAL PROCEEDING OF ACRI AND/OR AFFILIATES;

(J) TO APPROVE ANY MATERIAL SETTLEMENT OF ANY GOVERNMENTAL, AUDIT OR OTHER PROCEEDING INVOLVING ACRI AND/OR AFFILIATES;

(K) TO APPROVE ANY UNBUDGETED CONTRACT PROCEEDING THAT OCCURS OUTSIDE THE ORDINARY COURSE OF BUSINESS OF ACRI AND/OR AFFILIATES IN ACCORDANCE WITH POLICY;

(L) TO APPROVE ANY EFFORTS TO RE-BRAND OR ALTER THE PUBLIC FACING IMAGE OF ACRI AND/OR AFFILIATES;

(M) TO APPROVE THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTY OF ACRI AND/OR AFFILIATES OTHER THAN IN THE REGULAR COURSE OF BUSINESS;

(N) TO RATIFY ELECTION AND REMOVAL OF OFFICERS OF THE BOARD;

(O) TO RETAIN, OVERSEE, AND TERMINATE INDEPENDENT EXTERNAL AUDITORS OF ACRI AND/OR AFFILIATES;

(P) TO AUTHORIZE AMENDMENT AND RESTATEMENT AND/OR REPEAL OF GOVERNANCE DOCUMENTS OF ACRI AND/OR AFFILIATES;

(Q) TO AUTHORIZE AND CAUSE ACRI AND/OR AFFILIATES TO FORM A NEW SUBSIDIARY OR OTHERWISE BECOME A MEMBER, SHAREHOLDER, OR OTHER EQUITY OWNER OF ANY OTHER LEGAL ENTITY;

(R) TO AUTHORIZE MERGER, ACQUISITION, CONSOLIDATION, OR JOINT VENTURE OF ACRI AND/OR AFFILIATES;

(S) TO AUTHORIZE CONVERSION, REORGANIZATION, OR DISSOLUTION AND SUBSEQUENT DISPOSITION OF ASSETS OF ACRI AND/OR AFFILIATES;

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(T) TO APPROVE ANY OTHER ACTION BY ACRI AND/OR AFFILIATES ESTABLISHED FROM TIME TO TIME BY RESOLUTION OF THE SOLE MEMBER AS REQUIRING ITS APPROVAL, INCLUDING BUT NOT LIMITED TO ANY APPROVALS RELATED TO COMPLIANCE WITH ANY CREDIT AGREEMENT, MASTER INDENTURE OR LOAN AGREEMENT ASSOCIATED WITH ACRI AND/OR AFFILIATES.

*REGARDING THE BOARD OF DIRECTORS, SPECIFIC MODIFICATIONS TO THE GOVERNING DOCUMENTS ARE AS FOLLOWS:

(A) ACRI'S BOARD OF DIRECTORS SHALL CONSIST OF NOT LESS THAN NINE (9) NOR MORE THAN TWELVE (12) DIRECTORS, WITH THE SPECIFIC NUMBER WITHIN THAT RANGE TO BE DETERMINED BY THE MEMBER FROM TIME TO TIME; PROVIDED, HOWEVER,THAT THE MEMBER MAY BY RESOLUTION INCREASE OR DECREASE THE NUMBER OF DIRECTORS OF THE CORPORATION TO THE EXTENT CONSISTENT WITH THE CORPORATION'S ARTICLES OF INCORPORATION, THE BYLAWS OF THE MEMBER AND APPLICABLE LAW. NO DECREASE IN THE NUMBER OF DIRECTORS SHALL SHORTEN THE TERM OF ANY INCUMBENT DIRECTOR.

(B) ACRI'S PRESIDENT AND THE SOLE MEMBER'S PRESIDENT AND CEO WILL SERVE AS EX OFFICIO VOTING MEMBERS OF THE BOARD FOR AS LONG AS THEY SERVE IN THEIR RESPECTIVE ROLES.

(C) THE SOLE MEMBER SHALL APPOINT SUCH OTHER INDIVIDUALS AS THE REMAINING DIRECTORS ON THE BASIS OF THE ABILITY TO ACTIVELY AND EFFECTIVELY PARTICIPATE IN THE BOARD'S ROLE IN FULFILLING THE PURPOSES OF THE CORPORATION, INCLUDING POSSESSION OF RELEVANT SKILLS, EXPERTISE AND EXPERIENCE, PARTICULARLY WITH RESPECT TO SCIENTIFIC RESEARCH.

(D) THE BOARD SHALL AT ALL TIMES INCLUDE AT LEAST THREE (3) INDIVIDUALS WHO DO NOT ALSO SERVE ON THE BOARD OF DIRECTORS OF ANY AFFILIATE.

(E) DIRECTORS (OTHER THAN EX OFFICIO DIRECTORS) WILL BE APPOINTED AT

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THE SOLE MEMBER'S ANNUAL MEETING. EACH DIRECTOR WILL HOLD OFFICE FOR A TERM OF THREE (3) YEARS. THE TERMS OF APPOINTED DIRECTORS WILL BE STAGGERED SUCH THAT THE TERMS OF ONE-THIRD (1/3) OF THE DIRECTORS EXPIRE EACH YEAR. DIRECTORS TO REPLACE THOSE WHOSE TERMS ARE EXPIRING WILL BE APPOINTED AT THE SOLE MEMBER'S ANNUAL MEETING. IN ORDER TO ESTABLISH THESE STAGGERED TERMS, THE INITIAL TERMS OF 1/3 OF THE INITIAL DIRECTORS SHALL BE ONE (1) YEAR, THE INITIAL TERMS OF 1/3 OF THE INITIAL DIRECTORS SHALL BE TWO (2) YEARS, AND THE INITIAL TERMS OF 1/3 OF THE INITIAL DIRECTORS SHALL BE THREE (3) YEARS. DIRECTORS MAY SERVE ONE OR MORE SUBSEQUENT TERMS BY REAPPOINTMENT.

(F) A MAJORITY OF THE NUMBER OF DIRECTORS IN OFFICE IMMEDIATELY BEFORE A MEETING BEGINS SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT ANY MEETING OF THE BOARD OF DIRECTORS. IF LESS THAN SUCH MAJORITY IS PRESENT AT ANY TIME DURING A MEETING, A MAJORITY OF THE DIRECTORS PRESENT MAY ADJOURN THE MEETING FROM TIME TO TIME WITHOUT FURTHER NOTICE.

*REGARDING OFFICERS OF THE BOARD, SPECIFIC MODIFICATIONS TO THE GOVERNING DOCUMENTS ARE AS FOLLOWS:

(A) THE OFFICERS OF ACRI'S BOARD OF DIRECTORS SHALL INCLUDE A CHAIR, VICE CHAIR, SECRETARY, AND TREASURER.

(B) THE OFFICERS OF THE BOARD SHALL BE APPOINTED BY THE BOARD, SUBJECT TO RATIFICATION BY THE SOLE MEMBER. WITH THE EXCEPTION OF THE SECRETARY, THE OFFICERS OF THE BOARD SHALL BE APPOINTED FROM AMONG ACRI'S EXISTING DIRECTORS.

(C) DUTIES OF THE CHAIR INCLUDE PRESIDING AT ALL MEETINGS OF THE BOARD OF DIRECTORS AND PERFORMING OTHER DUTIES COMMONLY ASSOCIATED BY SUCH OFFICE AND AS DESIGNATED BY THE BOARD FROM TIME TO TIME. THE CHAIR

WILL BE AN EX OFFICIO VOTING MEMBER OF ALL COMMITTEES.

(D) DUTIES OF THE VICE CHAIR INCLUDE ACTING AS CHAIR IN THE ABSENCE OF THE CHAIR AND PERFORMING SUCH OTHER DUTIES AS DESIGNATED BY THE CHAIR FROM TIME TO TIME.

(E) DUTIES OF THE SECRETARY INCLUDE KEEPING RECORDS OF ALL MEETINGS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, ACTING AS CUSTODIAN OF ALL RECORDS AND REPORTS OF THE BOARD, AUTHENTICATING THE RECORDS OF ACRI, AND PERFORMING OTHER DUTIES INCIDENT TO THE OFFICE OF SECRETARY AND AS DESIGNATED BY THE BOARD FROM TIME TO TIME.

(F) DUTIES OF THE TREASURER INCLUDE ASSISTING WITH SUBMITTING THE OPERATING BUDGET AND CAPITAL BUDGET TO THE SOLE MEMBER FOLLOWING APPROVAL BY THE BOARD, MONITORING OPERATING PERFORMANCE TO THE OPERATING BUDGET ON A QUARTERLY BASIS, AND PERFORMING OTHER DUTIES AS PRESCRIBED BY THE BOARD FROM TIME TO TIME.

*REGARDING OFFICERS OF THE CORPORATION, SPECIFIC MODIFICATIONS TO THE GOVERNING DOCUMENTS ARE AS FOLLOWS:

(A) THE OFFICERS OF THE CORPORATION SHALL INCLUDE A PRESIDENT AND SUCH OTHER OFFICERS HAVING SUCH DUTIES AND AUTHORITY AS MAY BE DETERMINED FROM TIME TO TIME BY THE PRESIDENT OR BY THE BOARD, CONSISTENT WITH ACRI'S GOVERNING DOCUMENTS, THE RESERVED POWERS OF THE SOLE MEMBER, AND ARKANSAS LAW.

(B) THE PRESIDENT SHALL BE THE CHIEF EXECUTIVE OFFICER OF ACRI AND SHALL BE RESPONSIBLE FOR THE OPERATIONS AND MAINTENANCE OF THE CORPORATION. THE PRESIDENT SHALL BE RESPONSIBLE FOR THE ADMINISTRATION OF ACRI DEPARTMENTS, SUBJECT ONLY TO THE POLICIES ADOPTED AND DECISIONS MADE BY THE BOARD OF DIRECTORS. THE PRESIDENT SHALL BE THE DIRECT EXECUTIVE REPRESENTATIVE OF THE BOARD OF DIRECTORS AND THE SOLE MEMBER

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IN THE MANAGEMENT AND OPERATIONS OF THE CORPORATION. THE PRESIDENT SHALL BE APPOINTED BY THE PRESIDENT/CEO OF THE SOLE MEMBER.

PART VI, SECTION A, LINE 4 (CONTINUED):

*REGARDING COMMITTEES OF THE BOARD, SPECIFIC MODIFICATIONS TO THE GOVERNING DOCUMENTS ARE AS FOLLOWS:

(A) THE BOARD OF DIRECTORS MAY FROM TIME TO TIME DESIGNATE ONE (1) OR MORE COMMITTEES OF THE BOARD WITH SUCH DUTIES AND RESPONSIBILITIES AS IT DEEMS NECESSARY, ADVISABLE OR CONVENIENT. A COMMITTEE OF THE BOARD MAY BE ESTABLISHED EITHER AS A STANDING COMMITTEE OR AS AN AD HOC COMMITTEE FOR A SPECIAL PURPOSE. EACH COMMITTEE OF THE BOARD SHALL BE ESTABLISHED BY THE BOARD OF DIRECTORS, BY AT LEAST MAJORITY VOTE, AND SHALL CONSIST OF AT LEAST THREE (3) DIRECTORS. ALL COMMITTEES SHALL REPORT TO THE BOARD OF DIRECTORS, AND SHALL SERVE AT THE PLEASURE OF THE BOARD. THE CHAIR SHALL SERVE AS AN EX OFFICIO MEMBER OF ALL COMMITTEES OF WHICH THE CHAIR IS NOT OTHERWISE A REGULAR MEMBER, TO THE EXTENT PERMITTED BY APPLICABLE LAW. THE BOARD SHALL HAVE THE POWER AT ANY TIME TO CHANGE THE MEMBERSHIP OF ANY COMMITTEE, TO FILL VACANCIES ON ANY COMMITTEE AND TO DISCHARGE ANY COMMITTEE. THE BOARD MAY DESIGNATE ONE OR MORE DIRECTORS AS ALTERNATE MEMBERS OF ANY COMMITTEE, WHO MAY REPLACE ANY ABSENT OR DISQUALIFIED MEMBER AT ANY MEETING OF SUCH COMMITTEE.

(B) NON-DIRECTOR MEMBERS SHALL BE AUTHORIZED TO PARTICIPATE AS VOTING MEMBERS OF A COMMITTEE ONLY ON MATTERS WHICH WILL BE REFERRED OR RECOMMENDED TO THE BOARD OF DIRECTORS FOR ITS FINAL ACTION. NON-DIRECTOR MEMBERS SHALL BE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT ANNUALLY, AND TO COMPLY WITH THE CORPORATION'S CONFLICT OF INTEREST POLICY. SUCH NON-DIRECTOR

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REPRESENTATIVES SHALL SERVE EITHER FOR A ONE (1) YEAR TERM (WHICH MAY BE RENEWED) OR AT THE PLEASURE OF THE BOARD OF DIRECTORS, AS DETERMINED BY THE BOARD OF DIRECTORS FROM TIME TO TIME. NON-DIRECTOR MEMBERS OF A COMMITTEE MAY INCLUDE MEMBERS OF THE MANAGEMENT TEAM OF THE CORPORATION OR THE MEMBER.

(C) THE BOARD OF DIRECTORS MAY DELEGATE SUCH OF ITS POWERS AS IT DEEMS NECESSARY OR ADVISABLE TO COMMITTEES OF THE BOARD; PROVIDED, HOWEVER, THAT NO COMMITTEE OF THE BOARD SHALL HAVE THE AUTHORITY TO: (I) AUTHORIZE DISTRIBUTIONS; (II) ELECT, APPOINT OR REMOVE DIRECTORS OR FILL VACANCIES ON THE BOARD OR ANY OF ITS COMMITTEES; (III) ADOPT, AMEND OR REPEAL THE ARTICLES OF INCORPORATION OR BYLAWS; OR (IV) APPOINT OR ELECT THE PRESIDENT OF THE CORPORATION. ANY COMMITTEE MAY EXERCISE SUCH OF THE BOARD'S AUTHORITY AS IS GRANTED BY THE BOARD OF DIRECTORS, SUBJECT TO THE RESTRICTIONS CONTAINED IN THE CORPORATION'S ARTICLES OF INCORPORATION OR THESE BYLAWS.

(D) THE STANDING COMMITTEES OF THE BOARD SHALL BE THE EXECUTIVE COMMITTEE AND THE FINANCIAL PLANNING AND OVERSIGHT COMMITTEE.

(E) THE EXECUTIVE COMMITTEE SHALL CONSIST OF SIX DIRECTORS, INCLUDING THE CHAIR, VICE CHAIR, AND TREASURER OF THE BOARD, THE PRESIDENT OF THE CORPORATION, THE PRESIDENT AND CEO OF THE MEMBER, AND ONE (1) AT LARGE DIRECTOR APPOINTED ANNUALLY BY THE CHAIR, SUBJECT TO APPROVAL BY THE BOARD.

(F) DURING THE INTERVALS BETWEEN MEETINGS OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE SHALL POSSESS AND MAY EXERCISE ALL THE POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS IN THE MANAGEMENT AND DIRECTION OF THE AFFAIRS OF THE CORPORATION IN ALL CASES IN WHICH SPECIFIC DIRECTIONS SHALL NOT HAVE BEEN GIVEN BY THE BOARD OF DIRECTORS.

(G) THE EXECUTIVE COMMITTEE WILL MEET AT LEAST QUARTERLY.

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(H) A MAJORITY OF THE MEMBERS OF THE EXECUTIVE COMMITTEE IN OFFICE AT THE TIME SHALL BE NECESSARY TO CONSTITUTE A QUORUM AND IN EVERY CASE AN AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE COMMITTEE PRESENT AT A MEETING SHALL BE NECESSARY FOR THE TAKING OF ANY ACTIONS.

(I) THE FINANCIAL PLANNING AND OVERSIGHT COMMITTEE SHALL BE COMPRISED OF THE PRESIDENT OF THE CORPORATION AND NOT LESS THAN TWO (2) DIRECTORS APPOINTED BY THE CHAIR.

(J) THE FINANCIAL PLANNING AND OVERSIGHT COMMITTEE SHALL BE RESPONSIBLE FOR THE FOLLOWING: REVIEWING THE BUDGET PROCESS; REVIEWING BUDGET-TO-ACTUAL-PERFORMANCE; REVIEWING THE MIX OF GRANTS, CLINICAL TRIALS, AND INDIRECT COST REIMBURSEMENTS; SUGGESTING MEANS TO IMPROVE FISCAL ACCOUNTABILITY; ESTABLISHING THE STRATEGIC ORIENTATION OF THE CORPORATION CONSISTENT WITH THE GOALS OF THE MEMBER, INCLUDING CREATING GOALS RELATED TO GROWTH AND DEVELOPMENT OF THE CORPORATION, MONITORING, UPDATING AND ASSISTING WITH IMPLEMENTATION OF THE STRATEGIC PLAN, AND IDENTIFYING AND IMPLEMENTING STRATEGIC PARTNER SHIPS; AND REPORTING ON THE FINANCIAL PLANNING AND OVERSIGHT COMMITTEE'S ACTIVITIES TO THE FULL BOARD.

(K) THE FINANCIAL PLANNING AND OVERSIGHT COMMITTEE SHALL MEET AT LEAST QUARTERLY.

*REGARDING GENERAL PROVISIONS, SPECIFIC MODIFICATIONS TO THE GOVERNING DOCUMENTS ARE AS FOLLOWS:

(A) BOOKS & RECORDS - THE FOLLOWING ITEMS SHALL BE KEPT AT THE ACRI OFFICE: CORRECT AND COMPLETE BOOKS OF ACCOUNT; MINUTES AND RECORDS OF THE PROCEEDINGS OF THE SOLE MEMBER ACTING IN ITS CAPACITY OF MEMBER OF THE CORPORATION AND OF THE BOARD AND COMMITTEES THEREOF, INCLUDING ANY ACTIONS TAKEN BY UNANIMOUS WRITTEN CONSENT; A CURRENT LIST OF ACRI'S

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DIRECTORS AND OFFICERS; A COPY OF ACRI'S APPLICATION FOR RECOGNITION OF ITS 501(C)(3) TAX-EXEMPT STATUS; AND COPIES OF ACRI'S FILED ANNUAL IRS FORMS 990.

(B) ANNUAL AUDITS - AT LEAST ONCE EACH YEAR, THE SOLE MEMBER SHALL ENGAGE AN INDEPENDENT ACCOUNTING FIRM TO CONDUCT AN AUDIT OF THE BOOKS AND ACCOUNTS OF ACRI AND ITS AFFILIATES AND WILL PROVIDE A COPY OF THE AUDIT REPORT TO THE BOARD OF DIRECTORS.

(C) REVIEW OF BYLAWS - AT LEAST ONCE EVERY TWO (2) YEARS, OR PROMPTLY UPON A CHANGE IN APPLICABLE LAW, THE BOARD OF DIRECTORS SHALL REVIEW, OR DELEGATE THE REVIEW OF THE BYLAWS AND SHALL RECOMMEND TO THE SOLE MEMBER ANY SUCH AMENDMENTS AS ARE NECESSARY OR ADVISABLE.

(D) CONFLICT OF INTEREST POLICY - THE BOARD SHALL ADOPT, AND SHALL CAUSE THE DIRECTORS, NON-DIRECTOR COMMITTEE MEMBERS, OFFICERS, AND KEY EMPLOYEES OF THE CORPORATION TO ADHERE TO, A CONFLICT OF INTEREST POLICY THAT IS SUBSTANTIALLY CONSISTENT WITH THE PRINCIPLES AND STANDARDS ESTABLISHED FOR ADDRESSING CONFLICTS OF INTEREST BY APPLICABLE LAW, REGULATION, OR ADMINISTRATIVE GUIDANCE AND WITH PREVAILING BEST PRACTICES FOR 501(C)(3) TAX-EXEMPT ORGANIZATIONS. A COPY OF SUCH CONFLICT OF INTEREST POLICY SHALL BE PROVIDED TO EACH NEWLY APPOINTED DIRECTOR AND TO ALL DIRECTORS ON AN ANNUAL BASIS, TOGETHER WITH AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT.

*REGARDING MAINTAINING A UNIFIED HEALTH SYSTEM, THE BYLAWS STATE THE FOLLOWING: "IN ORDER TO ESTABLISH THE RELATIONSHIPS AMONG THE CONSTITUENT ENTITIES OF THE HEALTH SYSTEM WHICH ARE NECESSARY TO MAINTAIN AN INTEGRATED, UNIFIED SYSTEM, THE CORPORATION SHALL REQUIRE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT THE GOVERNING DOCUMENTS OF ANY ENTITY OF WHICH THE CORPORATION IS THE SOLE CORPORATE MEMBER OR

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OTHER SOLE CONTROLLING ORGANIZATION CONTAIN THE FOLLOWING:

(A) PROVISIONS WHICH RESERVE TO THE CORPORATION THE POWERS OVER SUCH ENTITY AS MAY BE REQUIRED BY THESE BYLAWS, APPLICABLE HEALTH SYSTEM POLICIES OR AS OTHERWISE DETERMINED BY THE MEMBER FROM TIME TO TIME;

(B) PROVISIONS WHICH RESERVE TO SUCH ENTITY SUCH POWERS OVER ORGANIZATIONS IT CONTROLS AS MAY BE REQUIRED BY THESE BYLAWS, APPLICABLE HEALTH SYSTEM POLICIES OR AS OTHERWISE DETERMINED BY THE MEMBER FROM TIME TO TIME; AND

(C) PROVISIONS WHICH REQUIRE SUCH ENTITY TO REQUIRE THAT THE GOVERNING DOCUMENTS OF ORGANIZATIONS THAT IT IN TURN CONTROLS CONTAIN PROVISIONS WHICH RESERVE TO THE CORPORATION THE POWERS SET FORTH IN THESE BYLAWS, THE GOVERNING DOCUMENTS OF SUCH ENTITY, THESE BYLAWS, APPLICABLE HEALTH SYSTEM POLICIES OR AS OTHERWISE DETERMINED BY THE MEMBER FROM TIME TO TIME."

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

FUND BALANCE TRANSFER - ASSETS FROM ACH TO ACRI	9,119.
FUND BALANCE TRANSFER - MERGE BRFI TO ACRI	4,571,524.
TRANSFER HIPPY GRANT CARRYOVER TO ACH	-15,464.
TOTAL TO FORM 990, PART XI, LINE 9	4,565,179.

FORM 990, PART XII, LINE 3B:

THE CONSOLIDATED ORGANIZATION IS REQUIRED TO UNDERGO AN AUDIT AS SET FORTH IN THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133 AND DID UNDERGO THAT REQUIRED AUDIT.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No 1545-0047

2015

Open to Public Inspection

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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	(g) No
ARKANSAS CHILDREN'S, INC. - 81-0801296 1 CHILDREN'S WAY LITTLE ROCK, AR 72202	HEALTH CARE PARENT CORP	ARKANSAS	501(C)(3)	LINE 11B, II	N/A		X
ARKANSAS CHILDREN'S HOSPITAL - 71-0236857 1 CHILDREN'S WAY LITTLE ROCK, AR 72202	HOSPITAL	ARKANSAS	501(C)(3)	LINE 3	ARKANSAS CHILDREN'S, INC.		X
ARKANSAS CHILDREN'S HOSPITAL FOUNDATION - 71-0568795, 1 CHILDREN'S WAY, LITTLE ROCK, AR 72202	FUNDRAISING	ARKANSAS	501(C)(3)	LINE 7	ARKANSAS CHILDREN'S, INC.		X
ARKANSAS CHILDREN'S HOSPITAL BUILDING RESEARCH FACILITY, INC. - 91-1940376, 1 CHILDREN'S WAY, LITTLE ROCK, AR 72202	BUILDING MANAGEMENT	ARKANSAS	501(C)(3)	LINE 11A, I	N/A - MERGED INTO ACRI IN FY16		X

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(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 organization? Yes	(g) No
ARKANSAS CHILDREN'S HOSPITAL AUXILIARY - 71-0606585, 1 CHILDREN'S WAY, LITTLE ROCK, AR 72202	FUNDRAISING & VOLUNTEERS	ARKANSAS	501(C)(3)	LINE 11A, I	ARKANSAS CHILDREN'S, INC.		X
ARKANSAS CHILDREN'S NORTHWEST - 81-0817660 1 CHILDREN'S WAY LITTLE ROCK, AR 72202	HOSPITAL	ARKANSAS	501(C)(3)	LINE 3	ARKANSAS CHILDREN'S, INC.		X

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

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" 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	(i) No
CHILDREN'S HEALTHCARE SYSTEM, INC. - 58-6304957, 1 CHILDREN'S WAY, LITTLE ROCK, AR 72202	MANAGEMENT SERVICES	AR	N/A	C CORP	N/A	N/A	N/A		X

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.

		Yes	No
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	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b	X	
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i	X	
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o	Sharing of paid employees with related organization(s)	1o	X	
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s	X	

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

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

Part VII Supplemental Information

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