

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2002Open to Public
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2002 calendar year, or tax year period beginning **JUL 1, 2002** and ending **JUN 30, 2003****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**CHILDREN'S CLINICS FOR
REHABILITATIVE SERVICES**

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

2600 NORTH WYATT DRIVE

City or town, state or country, and ZIP + 4

TUCSON, AZ 85712**D** Employer identification number**86-0667510****E** Telephone number**520-324-5437****F** Accounting method ☐ Cash ☒ Accrual
Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and **I** are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? **N/A** ☐ Yes ☐ No**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Enter 4-digit GEN ▶**G** Web site. **WWW.CHILDRENSCLINICS.ORG****J** Organization type (check only one) ☒ 501(c)(3) (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **12,703,397.**
M Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received		1d	83,515.
	a	Direct public support	1a	43,194.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c	40,321.	
	d	Total (add lines 1a through 1c) (cash \$ 83,515. noncash \$)			
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	12,595,490.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		
	5	Dividends and interest from securities	5	17,485.	
	6a	Gross rents	6a	6,907.	
Expenses	b	Less rental expenses	6b		
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	6,907.	
	7	Other investment income (describe ▶)	7		
	8a	Gross amount from sale of assets other than inventory	(A) Securities	8a	
	b	Less cost or other basis and sales expenses	(B) Other	8b	
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
	9	Special events and activities (attach schedule)			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
	b	Less direct expenses other than fundraising expenses	9b		
Net Assets	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
	10a	Gross sales of inventory less returns and allowances	10a		
	b	Less cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
	11	Other revenue (attach schedule)	11		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	12,703,397.	
	13	Program services (from line 44, column (B))	13	11,409,545.	
	14	Management and general (from line 44, column (C))	14	1,575,854.	
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	12,985,399.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-282,002.		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	2,497,867.		
20	Other changes in net assets or fund balances (attach explanation)	20	0.		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	2,215,865.		

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LHA For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2002)

**CHILDREN'S CLINICS FOR
REHABILITATIVE SERVICES**

86-0667510

**Part II Statement of
Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

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Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	269,660.	0.	269,660.
26	Other salaries and wages	26	3,379,696.	2,502,573.	877,123.
27	Pension plan contributions	27			
28	Other employee benefits	28	525,045.	414,994.	110,051.
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31	29,379.	23,209.	6,170.
32	Legal fees	32			
33	Supplies	33	1,192,732.	1,127,573.	65,159.
34	Telephone	34			
35	Postage and shipping	35	31,754.	25,086.	6,668.
36	Occupancy	36	130,010.	102,708.	27,302.
37	Equipment rental and maintenance	37	31,326.	24,748.	6,578.
38	Printing and publications	38	6,547.	5,172.	1,375.
39	Travel	39	22,347.	17,654.	4,693.
40	Conferences, conventions, and meetings	40	24,287.	19,187.	5,100.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	193,686.	153,012.	40,674.
43	Other expenses not covered above (itemize)				
a		43a			
b		43b			
c		43c			
d		43d			
e	SEE STATEMENT 3	43e	7,148,930.	6,993,629.	155,301.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44	12,985,399.	11,409,545.	1,575,854.

Joint Costs Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

Yes ☐ No ☒

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ►

HEALTH CARE & MEDICAL SERVICES

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service
Expenses**
(Required for 501(c)(3) and
(4) orgs. and 4947(a)(1)
trusts but optional for others.)

a	TO PROVIDE A COMPREHENSIVE RANGE OF PEDIATRIC AND MEDICAL AND SUPPORT SERVICES TO CHILDREN WITH SPECIAL HEALTHCARE NEEDS IN SOUTHERN ARIZONA - SEE STATEMENT A	(Grants and allocations \$ _____)	11,409,545.
b		(Grants and allocations \$ _____)	
c		(Grants and allocations \$ _____)	
d		(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		11,409,545.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	3,132,844.	46 2,981,736.
	47 a Accounts receivable	47a 113,807.	
	b Less allowance for doubtful accounts	47b 68,422.	47c 113,807.
	48 a Pledges receivable	48a	
	b Less allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53 59,281.
	54 Investments - securities	► <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55 a Investments - land, buildings, and equipment, basis	55a	
	b Less accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment, basis	57a 2,693,932.		
b Less accumulated depreciation STMT 4	57b 1,868,968.	57c 824,964.	
58 Other assets (describe ►)		58	
59 Total assets (add lines 45 through 58) (must equal line 74)	3,941,119.	59 3,979,788.	
Liabilities	60 Accounts payable and accrued expenses	1,443,252.	60 1,763,923.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ►)		65 0.
66 Total liabilities (add lines 60 through 65)	1,443,252.	66 1,763,923.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	2,497,867.	67 2,215,865.
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	2,497,867.	73 2,215,865.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	3,941,119.	74 3,979,788.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
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a	Total expenses and losses per audited financial statements	▶	a	<u>13,475,399.</u>
b	Amounts included on line a but not on line 17, Form 990			
(1)	Donated services and use of facilities	\$ <u>490,000.</u>		
(2)	Prior year adjustments reported on line 20, Form 990	\$ _____		
(3)	Losses reported on line 20, Form 990	\$ _____		
(4)	Other (specify)	\$ _____		
	Add amounts on lines (1) through (4)	▶	b	<u>490,000.</u>
c	Line a minus line b	▶	c	<u>12,985,399.</u>
d	Amounts included on line 17, Form 990 but not on line a			
(1)	Investment expenses not included on line 6b, Form 990	\$ _____		
(2)	Other (specify)	\$ _____		
	Add amounts on lines (1) and (2)	▶	d	<u>0.</u>
e	Total expenses per line 17, Form 990 (line c plus line d)	▶	e	<u>12,985,399.</u>

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Part VI Other Information

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b Did the organization file Form 1120-POL for this year?	81b	X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	82b	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c Dues, assessments, and similar amounts from members	85c	N/A
d Section 162(e) lobbying and political expenditures	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87 501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0., section 4912 0., section 4955 0.		
b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a List the states with which a copy of this return is filed ARIZONA	90a	107
b Number of employees employed in the pay period that includes March 12, 2002	90b	107
91 The books are in care of CHERYL LIPPERT Telephone no 520-324-3217		

Located at 2600 N. WYATT DR., TUCSON, AZ

ZIP + 4 85712

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year

92

N/A

**CHILDREN'S CLINICS FOR
REHABILITATIVE SERVICES**

86-0667510

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a PATIENT SERVICES					12,595,490.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	17,485.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	6,907.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		24,392.	12,595,490.
105 Total (add line 104, columns (B), (D), and (E))					12,619,882.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	TO PROVIDE A RANGE OF SERVICES FOR CHRONICALLY ILL OR DISABLED CHILDREN AND THEIR FAMILIES - SEE STATEMENT A

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

accompanying schedules and statements and to the best of my knowledge and belief, it is true,
information of which preparer has any knowledge

2/3/03
Date

William J. Long - TREASURER
Type or print name and title

Date

Check if

Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2002

Name of the organization **CHILDREN'S CLINICS FOR REHABILITATIVE SERVICES** Employer identification number **86 0667510**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>MARK WHEELER</u>	PHYSICIAN			
<u>2600 N. WYATT, TUCSON, AZ</u>	40	124,800.	14,562.	
<u>ALLAN HONDA</u>	IS DIRECTOR			
<u>2600 N. WYATT, TUCSON, AZ</u>	40	78,333.	6,104.	
<u>ERNIE SCHLOSS</u>	R&E DIRECTOR			
<u>2600 N. WYATT, TUCSON, AZ</u>	40	76,086.	11,829.	
<u>TERRI WYATT</u>	REHAB DIRECTOR			
<u>2600 N. WYATT, TUCSON, AZ</u>	40	70,366.	6,444.	
<u>JAINIE FOSTER-VALDEZ</u>	PSYCHOLOGIST			
<u>2600 N. WYATT, TUCSON, AZ</u>	40	66,186.	11,169.	
Total number of other employees paid over \$50,000 ▶	5			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>UNIVERSITY MEDICAL CENTER</u>		
<u>1501 N. CAMPBELL AVE, TUCSON, AZ 85724</u>	HOSPITAL AND ANCILLARY SERVICE	1579706.
<u>TUCSON MEDICAL CENTER</u>		
<u>5301 E. GRANT RD., TUCSON, AZ 85712</u>	HOSPITAL AND ANCILLARY SERVICE	1142020.
<u>UNIVERSITY PHYSICIANS, INC.</u>		
<u>575 E. RIVER RD., TUCSON, AZ 85704</u>	PATIENT SERVICES	981,359.
<u>CHILDREN'S ORTHO SPECIALISTS</u>		
<u>1605 E. RIVER RD. STE. 101, TUCSON, AZ 85718</u>	PATIENT SERVICES	137,785.
<u>OLD PUEBLO ANESTHESIA</u>		
<u>5700 E. PIMA, STE. E, TUCSON, AZ 85715</u>	PATIENT SERVICES	130,079.
Total number of others receiving over \$50,000 for professional services ▶	5	

CHILDREN'S CLINICS FOR

Schedule A (Form 990 or 990-EZ) 2002 **REHABILITATIVE SERVICES**

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Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions) SEE STATEMENT 6		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X

Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box)

5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 ☒ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **►** _____

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)

11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ 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 charitable, etc., 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) (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3).)

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Schedule A (Form 990 or 990-EZ) 2002

Schedule A (Form 990 or 990-EZ) 2002

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting** **N/A**
Note. You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

223121 01 22-03

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

Yes No

29

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31

If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.)

32 Does the organization maintain the following

a Records indicating the racial composition of the student body, faculty, and administrative staff?

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?

32d

If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to

a Students' rights or privileges?

33a

b Admissions policies?

33b

c Employment of faculty or administrative staff?

33c

d Scholarships or other financial assistance?

33d

e Educational policies?

33e

f Use of facilities?

33f

g Athletic programs?

33g

h Other extracurricular activities?

33h

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)

34 a Does the organization receive any financial aid or assistance from a governmental agency?

34a

b Has the organization's right to such aid ever been revoked or suspended?

34b

If you answered "Yes" to either 34a or b, please explain using an attached statement.

35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation

35

Schedule A (Form 990 or 990-EZ) 2002

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check ☐ a ☐ if the organization belongs to an affiliated group

Check ☐ b ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500 000	20% of the amount on line 40		
Over \$500,000 but not over \$1 000 000	\$100 000 plus 15% of the excess over \$500 000		
Over \$1 000 000 but not over \$1 500 000	\$175 000 plus 10% of the excess over \$1 000,000		
Over \$1 500 000 but not over \$17 000 000	\$225 000 plus 5% of the excess over \$1 500 000		
Over \$17 000 000	\$1 000 000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
		0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable**Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section

a Transfers from the reporting organization to a noncharitable exempt organization of

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the

goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any

transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

N/A

[illegible]

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the

Code (other than section 501(c)(3)) or in section 527?

▶ ☐ Yes ☒ No

b. If "Yes," complete the following schedule

N/A

[illegible]

990

210201
05-01 02

STATEMENT A

CHILDREN'S CLINICS FOR REHABILITATIVE SERVICES

86-0667510

FYE 6/30/03

**Part III Statement of Program Service Accomplishments
& Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes**

The Children's Clinics for Rehabilitative Services, in keeping with its tax-exempt purposes, has continued to provide a range of services for medically complex, chronically ill or physically disabled children and their families. Our pediatric primary care program for children with special health care needs and pediatric endocrinology services have continued to grow over the last year, and we continue to provide a wide variety of pediatric specialty clinics and services.

The volume of visits to our Medical/Dental Specialty Clinics, Rehab Services and Ancillary Services during Fiscal Year 02/03 are also shown on Appendix A (attached).

In addition to these services, we provided Social Services, Special Education, Psychology, Child Life and Advocacy Services to our patients. We continue to provide a variety of special programs and outreach services to our patient population and collaborate with other community organizations and agencies that serve children with special health care needs. For example, this year our primary care physicians have worked extensively to implement medical home concepts promulgated by the Maternal/Child Health Bureau. We have also begun developing transition services for our older patients as they move into adulthood.

We have implemented a new staff education program for our employees this year and have held several educational sessions for parents during Parent Advisory meetings. We have hosted in-service and continuing education meetings in our facility and have made the facility available to other community and advocacy groups. We have continued to maintain educational affiliations in a number of clinical areas enabling medical and allied health students to rotate through our facility for portions of their clinical education experience. We maintain a Parent Resource Library on site, in collaboration with Pilot Parents, for the use of parents and others who want to know more about their children's medical conditions and available resources.

STATEMENT A (continued)

**CHILDREN'S CLINICS FOR REHABILITATIVE SERVICES
86-0667510
FYE 6/30/03**

Appendix A

**UNDUPLICATED PATIENT COUNT (CONTACT WITH CLINIC DURING FYE
6/30/03)**

5,176 Patients

GEOGRAPHIC SERVICE AREA

Primary Service Area includes zip codes for all of Pima, Santa Cruz, Cochise, Graham, and Greenlee Counties, as well as Southern and Central Pima County and the southern tip of Gila County (Winkleman/Hayden Area) Some referral patients come from outside this primary service area for selected specialty services

CLINICAL STATISTICAL PROFILE FOR FYE 6/30/03

Medical/Dental Clinic Visits	14,157
Rehab Service Visits	7,095
Lab Tests	9,762
X-Ray Procedures	1,464
Pharmacy Prescriptions	12,510

STATEMENT B

CCRS TAX PREP
FY 2002-2003

In keeping with its tax-exempt purpose, CCRS contracts with a variety of physician practices in order to provide professional medical services to the chronically-ill or disabled children whom it serves. The following noncompensated members of the board of directors engaged in arm's length transactions with CCRS in the normal course of business and at the prevailing rates for providing these services. These physicians are associated with the following physician groups:

Fayez Ghishan, M.D.
Lawrence Housman, M.D.
Francisco Valencia, M.D.

University Physicians
Tucson Orthopaedic Institute
University Orthopedic Specialists

FOOTNOTES

STATEMENT 1

TAXPAYER HEREBY ELECTS NOT TO CLAIM THE ADDITIONAL 30%
OR 50% DEPRECIATION ALLOWANCE PURSUANT TO INTERNAL REVENUE
CODE SECTION 168(K)(2)(C)(III) FOR THE TAX YEAR ENDING
6/30/03

FORM 990	RENTAL INCOME	STATEMENT	2
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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
RENTAL INCOME - NON DEBT FINANCED PROPERTY	2	6,907.
TOTAL TO FORM 990, PART I, LINE 6A		6,907.

FORM 990	OTHER EXPENSES	STATEMENT	3
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
OUTSIDE SERVICES	353,760.	249,255.	104,505.	
INSURANCE	60,169.	47,534.	12,635.	
ENVIRONMENTAL SERVICES	57,119.	45,124.	11,995.	
PERSONNEL SERVICES	3,180.	2,512.	668.	
SECURITY SERVICES	2,775.	2,192.	583.	
PLANT ENGINEERING	8,764.	6,924.	1,840.	
COMMUNITY EDUCATION, MARKETING	28,129.	22,222.	5,907.	
LICENSES AND ASSESSMENTS	41,184.	32,535.	8,649.	
RECRUITMENT	12,379.	9,779.	2,600.	
DUES	5,039.	3,981.	1,058.	
INFORMATION SERVICES	14,448.	11,414.	3,034.	
SPECIAL FUNCTIONS	4,321.	3,414.	907.	
MISCELLANEOUS	4,382.	3,462.	920.	
PROFESSIONAL SERVICES TO PATIENTS	6,377,371.	6,377,371.		
LABORATORY FEES	108,477.	108,477.		
MEDICAL DIRECTION	67,433.	67,433.		
TOTAL TO FM 990, LN 43	7,148,930.	6,993,629.	155,301.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	4
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
EQUIPMENT	2,461,668.	1,789,778.	671,890.
LEASEHOLD IMPROVEMENTS	232,264.	79,190.	153,074.
TOTAL TO FORM 990, PART IV, LN 57	2,693,932.	1,868,968.	824,964.

FORM 990	PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT	5
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JUDITH C. KEAGY, MHA 2600 N. WYATT DRIVE TUCSON, AZ 85712	EXECUTIVE DIRECTOR 40	119,995.	11,732.	0.
EDITH JORDAN, RN, MBA 2600 N. WYATT DRIVE TUCSON, AZ 85712	DIRECTOR, OPERATIONS 40	86,902.	9,895.	0.
CHERYL LIPPERT 2600 N. WYATT DRIVE TUCSON, AZ 85712	CONTROLLER/ PROJ. MGR 40	62,763.	11,011.	0.
WILLIAM LONG 8921 E. SIERRA ST. TUCSON, AZ 85710	TREASURER 2	0.	0.	0.
WALTER STEVENS 2600 N. WYATT DRIVE TUCSON, AZ 85712	NON VOTING MEMBER 2	0.	0.	0.
RODRIGO VILLAR, M.D. 2600 N. WYATT DRIVE TUCSON, AZ 85712	NON VOTING MEMBER 2	0.	0.	0.
TRACY NUCKOLLS 5301 E. GRANT ROAD TUCSON, AZ 85712	VOTING MEMBER 2	0.	0.	0.

CHILDREN'S CLINICS FOR REHABILITATIVE SE

86-0667510

FRANCISCO VALENCIA, M.D. 3395 N. CAMPBELL TUCSON, AZ 85719	VOTING MEMBER 2	0.	0.	0.
KEVIN BURNS P.O. BOX 245128 TUCSON, AZ 85724-5128	VOTING MEMBER 2	0.	0.	0.
JUDY DYE P.O. BOX 245128 TUCSON, AZ 85724-5128	VICE PRESIDENT 2	0.	0.	0.
PALMER EVANS, M.D. 301 E. GRANT ROAD TUCSON, AZ 85712	PRESIDENT 2	0.	0.	0.
FAYEZ GHISHAN, M.D. P.O. BOX 245073 TUCSON, AZ 85724-5073	VOTING MEMBER 2	0.	0.	0.
CLINTON E. HAMILTON 5512 E. BELLEVUE TUCSON, AZ 85712	VOTING MEMBER 2	0.	0.	0.
HARMON HARRISON, M.D. 7301 N. SAN PASQUALE AVE. TUCSON, AZ 85704	VOTING MEMBER 2	0.	0.	0.
LAWRENCE HOUSMAN, M.D. 2424 N. WYATT DR., SUITE 260 TUCSON, AZ 85712	VOTING MEMBER 2	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V	269,660.	32,638.	0.
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SCHEDULE A	STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC., PART III, LINE 2	STATEMENT 6
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SEE STATEMENT B.

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note. Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

File by the due date for filing your return. See instructions.	Type or print	Name of Exempt Organization CHILDREN'S CLINICS FOR REHABILITATIVE SERVICES	Employer identification number 86-0667510
		Number, street, and room or suite no. If a P O box, see instructions 2600 NORTH WYATT DRIVE	
		City, town or post office, state, and ZIP code. For a foreign address, see instructions. TUCSON, AZ 85712	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole group**, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until **FEBRUARY 17, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☐ calendar year _____ or
- ▶ ☒ tax year beginning **JUL 1, 2002**, and ending **JUN 30, 2003**.

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

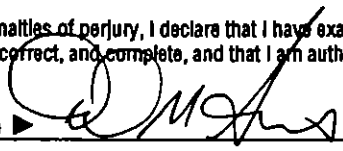
- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶ **CPA** Date ▶ **11/13/02**

LHA For Paperwork Reduction Act Notice, see instruction

Form **8868** (12-2000)