

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

OMB No 1545-0047
2011
Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization
 NATIONAL JEWISH HEALTH

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
 1400 JACKSON STREET

City or town, state or country, and ZIP + 4
 DENVER, CO 80206

D Employer identification number
 74-2044647

E Telephone number
 (303) 388-4461

G Gross receipts \$ 237,920,933

F Name and address of principal officer
 Christine K Forkner
 1400 Jackson Street
 Denver, CO 80206

H(a) Is this a group return for affiliates? Yes No

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

H(c) Group exemption number

I Tax-exempt status 501(c)(3) 501(c) () (Insert no) 4947(a)(1) or 527

J Website: www.nationaljewish.org

K Form of organization Corporation Trust Association Other **L** Year of formation 1978 **M** State of legal domicile CO

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities National Jewish's focus is 1) to develop and provide innovative clinical programs for treating and rehabilitating patients of all ages and for preventing disease, 2) discover knowledge to enhance prevention, treatment and cures, through an integrated program of basic and clinical research, and 3) educate scientists, physicians, healthcare professionals, and the public		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	47
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	47
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,958
	6 Total number of volunteers (estimate if necessary)	6	141
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,271,617
b Net unrelated business taxable income from Form 990-T, line 34	7b	283,737	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	89,002,585	77,892,683
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	117,098,059	124,826,446
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,488,986	4,073,903
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	173,484	-271,742
		211,763,114	206,521,290
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	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)	122,133,547	128,782,547
	16a Professional fundraising fees (Part IX, column (A), line 11e)	262,458	205,873
	b Total fundraising expenses (Part IX, column (D), line 25) 7,845,949		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	83,674,881	78,678,438
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	206,070,886	207,666,858
19 Revenue less expenses Subtract line 18 from line 12	5,692,228	-1,145,568	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	266,625,000	266,823,000
	21 Total liabilities (Part X, line 26)	91,601,000	96,806,000
	22 Net assets or fund balances Subtract line 21 from line 20	175,024,000	170,017,000

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: 2013-02-22

Christine Forkner Chief Financial Officer
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's taxpayer identification number (see instructions): _____

EIN: _____ Phone no: _____

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

National Jewish's mission since 1899 is to heal, discover and educate as a preeminent healthcare institution. We serve by providing the best integrated and innovative care for patients and their families, by understanding and finding cures for the diseases we research, and, by educating and training the next generation of healthcare professionals to be leaders in medicine and science.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 62,656,609 including grants of \$ 39,675,929) (Revenue \$ 53,432,783)

National Jewish Health conducts extensive basic translational and clinical biomedical research. In addition to translational research programs in its areas of clinical specialties, National Jewish conducts research in basic immunology, genetics, proteomics, cell biology, signal transduction, structural biology, cancer biology, and oxidant biology. Research activities have resulted in a number of scientific discoveries that have improved care for patients worldwide. Funds for National Jewish's biomedical research are provided by grants and charitable contributions from private and governmental agencies, including the National Institutes of Health (NIH), the Department of Defense (DOD), and the Howard Hughes Medical Institute (HHMI).

4b (Code) (Expenses \$ 92,002,486 including grants of \$ 0) (Revenue \$ 108,857,000)

National Jewish Health is a national referral center treating adult and pediatric patients on both an inpatient and outpatient basis. National Jewish specializes in the treatment of respiratory, cardiac, allergic and immunologic diseases. Clinical specialties include allergy, pulmonology, occupational medicine, psychosocial medicine, gastroenterology, rheumatology, cardiology, endocrinology, critical care and hospital medicine, otolaryngology, sleep medicine, oncology, nephrology, cystic fibrosis, pharmacokinetics and infectious disease. In the fiscal year ended June 30, 2012, National Jewish had over 97,000 physician visits, 72 inpatient admissions, and an average day program census of 13.83 days. Additionally, patients included residents from virtually every state and several foreign countries, with residents of Colorado constituting the largest group. National Jewish was founded under the motto "None may enter who can pay, None can pay who enter." While National Jewish accepts paying patients, we still provide significant amounts of charity care and offer all appointments on a first come, first serve basis regardless of ability to pay.

4c (Code) (Expenses \$ 7,342,354 including grants of \$ 0) (Revenue \$ 7,652,676)

Consistent with its mission, National Jewish has developed nationally recognized programs (the "Health Initiatives") that deal with the two most common causes of behaviorally related premature death in the United States: tobacco consumption and obesity. National Jewish's smoking cessation program assists individuals in their efforts to stop smoking by providing ongoing education, telephonic and internet support, as well as other smoking cessation strategies. National Jewish has contracts with several states to provide these services through state QuitLine programs. These services are also provided to individuals through contracts with insurance providers, businesses and employer groups. Since the program began in 2002, National Jewish has assisted over 775,000 people across the country with their quit attempts, and achieved an average quit rate of 36% across the full spectrum of demographic groups, geographic locations, education and socioeconomic levels. In 2008, National Jewish introduced a weight loss and fitness program built upon its smoking cessation platform. Developed in conjunction with medical and psychosocial experts, the program offers telephonic and internet based support combined with activity and weight monitoring to assist program participants in reaching their weight loss goals. The wellness program is marketed to insurance providers and to employer groups. Approximately 8,500 participants have enrolled in the program since its inception. In an independent study conducted by a commercial health plan in 2008, individuals enrolled in the program lost an average of 11.75 pounds with most sustaining that weight loss out to 24 months.

(Code) (Expenses \$ 5,315,198 including grants of \$ 0) (Revenue \$ 2,659,052)

National Jewish emphasizes the education of health professionals and biomedical scientists. National Jewish is a teaching affiliate of the University of Colorado which is accredited by the Accreditation Council for Graduate Medical Education. National Jewish's Office of Professional Education creates continuing medical education (CME) programs that assist physicians and healthcare providers in changing their practice behaviors and further develop and enhance their clinical knowledge and skills to better treat their patients. To assist in educating the public about lung, allergic, and immunologic disorders, National Jewish created a toll-free call center, Lung Line, in 1983. In addition, National Jewish provides a free community outreach program designed to promote lung health and awareness in the community. The Center operates a free, accredited, K-8 school on campus, geared to the needs of children who have been educationally disadvantaged by long term illness. The Stanley Kunsberg School, founded in the early 1940s, provides an opportunity for 80 to 100 chronically ill children annually to benefit from studying with their peers.

4d Other program services (Describe in Schedule O)

(Expenses \$ 5,315,198 including grants of \$ 0) (Revenue \$ 2,659,052)

4e Total program service expenses \$ 167,316,647

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)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> <input checked="" type="checkbox"/>	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> <input checked="" type="checkbox"/>	Yes	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> <input checked="" type="checkbox"/>	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements. <input checked="" type="checkbox"/>	Yes	

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . .</i>	21		No
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . .</i>	22		No
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . .</i>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25 . . .</i>	24a	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . .	24b		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . .	24c		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . .	24d		No
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . .</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . .</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II . . .</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III . . .</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . .</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . .</i>	28b	Yes	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV . . .</i>	28c	Yes	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . .</i>	29	Yes	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . .</i>	30	Yes	
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . .</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . .</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . .</i>	33	Yes	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . .</i>	34		No
35a Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2 . . .</i>	35b		No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . .</i>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . .</i>	37		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O . . .	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No columns. Rows include questions 1a-14b regarding Form 1096, W-2G, Form W-3, federal employment tax returns, unrelated business gross income, prohibited tax shelter transactions, annual gross receipts, deductible contributions, sponsoring organizations, and charitable trusts.

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

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed AL, AR, AZ, CA, CT, DC, FL, GA, IL, KS, KY, MA, MD, ME, MN, NC, NH, NJ, NM, NY, OH, OR, PA, SC, TN, UT, WA, WI, WV
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request
- 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. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 Chief Financial Officer
 1400 Jackson St
 Denver, CO 802062762
 (303) 388-4461

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

Check if Schedule O contains a response to any question 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, and **current** key employees 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							5,755,342	0	372,386	

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 **219**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
University of Colorado Anschutz Medical Center Campus Graduate Medical Education PO Box 910388 Denver, CO 80291	Graduate Medical Education	904,564
Hospital Shared Services PO Box 17033 Denver, CO 80217	Support Services/Security	754,059
Dimassimo 220 E 23rd Street 2nd Floor New York, NY 10010	Advertising	669,287
Roche Molecular Systems Inc Mail Code 5020 PO Box 660367 Dallas, TX 75266	Lab Royalties	546,173
Arup Laboratoires PO Box 27964 Salt Lake City, UT 84127	Lab Services	458,245

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 **35**

Part VIII Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a	17,261				
	b	Membership dues 1b	0				
	c	Fundraising events 1c	5,624,683				
	d	Related organizations 1d	0				
	e	Government grants (contributions) 1e	47,674,000				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	24,576,739				
	g	Noncash contributions included in lines 1a-1f \$ 186,546					
	h	Total. Add lines 1a-1f		77,892,683			
Program Service Revenue			Business Code				
	2a	Patient Revenue	622310	108,857,000	107,652,096	1,204,904	
	b	Health Initiatives Revenue	900099	7,652,676	7,651,137	1,539	
	c	Miscellaneous Program Service Revenue	900099	6,168,770	6,103,596	65,174	
	d	Educational and Training Services Revenue	900099	2,148,000	2,148,000	0	
	e						
	f	All other program service revenue		0	0	0	
g	Total. Add lines 2a-2f		124,826,446				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		2,076,858	0	0	2,076,858
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0
	5	Royalties		211,621	0	0	211,621
	6a	Gross rents	(i) Real	0			
			(ii) Personal	0			
				0			
				0			
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0	0	0	0
	7a	Gross amount from sales of assets other than inventory	(i) Securities	30,150,181			
			(ii) Other	172,986			
				28,022,555		303,567	
				2,127,626		-130,581	
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		1,997,045	0	0	1,997,045
8a	Gross income from fundraising events (not including \$ 5,624,683 of contributions reported on line 1c) See Part IV, line 18						
a		948,225					
b	Less direct expenses b	3,073,521					
c	Net income or (loss) from fundraising events		-2,125,296	0		-2,125,296	
9a	Gross income from gaming activities See Part IV, line 19						
a		0					
b	Less direct expenses b	0					
c	Net income or (loss) from gaming activities		0	0	0	0	
10a	Gross sales of inventory, less returns and allowances						
a		0					
b	Less cost of goods sold b	0					
c	Net income or (loss) from sales of inventory		0	0	0	0	
Miscellaneous Revenue		Business Code					
11a	Occupancy	532000	770,263	0	0	770,263	
b	Cafeteria	722100	698,825	0	0	698,825	
c	Gift Shop	453220	172,845	0	0	172,845	
d	All other revenue		0	0	0	0	
e	Total. Add lines 11a-11d		1,641,933				
12	Total revenue. See Instructions		206,521,290	123,554,829	1,271,617	3,802,161	

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) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	4,338,668	2,026,626	1,742,495	569,547
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	103,319,263	88,144,076	12,401,749	2,773,438
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,539,972	3,924,602	496,762	118,608
9	Other employee benefits	9,585,647	8,014,725	1,230,300	340,622
10	Payroll taxes	6,998,997	5,824,873	921,474	252,650
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	676,246	501,072	86,027	89,147
c	Accounting	160,350	11,568	148,280	502
d	Lobbying	180,396	0	180,396	0
e	Professional fundraising See Part IV, line 17	205,873			205,873
f	Investment management fees	359,000	0	359,000	0
g	Other	10,239,507	7,680,561	2,091,118	467,828
12	Advertising and promotion	2,997,881	192,183	2,792,151	13,547
13	Office expenses	10,949,625	9,393,661	920,397	635,567
14	Information technology	2,288,548	1,233,215	1,032,619	22,714
15	Royalties	0	0	0	0
16	Occupancy	6,389,796	1,244,240	4,571,507	574,049
17	Travel	1,165,293	853,338	114,943	197,012
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	487,442	411,037	55,487	20,918
20	Interest	1,880,307	1,564,875	247,557	67,875
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	9,730,526	8,401,447	1,329,079	0
23	Insurance	821,167	355,454	450,295	15,418
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Recruitment	491,126	1,843	489,283	0
b	Collaborative Agreements	8,728,739	8,728,739	0	0
c	Research Subject Fees and Patient Research Cost	856,805	856,805	0	0
d	Medical Supplies	13,944,737	13,187,472	747,303	9,962
e					
f	All other expenses	6,330,947	4,764,235	96,040	1,470,672
25	Total functional expenses. Add lines 1 through 24f	207,666,858	167,316,647	32,504,262	7,845,949
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	44,000	1	0
	2 Savings and temporary cash investments	6,671,000	2	1,073,000
	3 Pledges and grants receivable, net	13,079,000	3	11,964,000
	4 Accounts receivable, net	16,454,000	4	19,693,000
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	1,326,000	8	1,270,000
	9 Prepaid expenses and deferred charges	1,298,000	9	1,862,000
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	207,988,000		
	b Less accumulated depreciation	109,735,000	10c	98,253,000
	11 Investments—publicly traded securities	116,911,000	11	113,808,000
	12 Investments—other securities See Part IV, line 11	4,264,000	12	7,402,000
	13 Investments—program-related See Part IV, line 11	0	13	0
	14 Intangible assets	900,000	14	900,000
	15 Other assets See Part IV, line 11	8,763,000	15	10,598,000
16 Total assets. Add lines 1 through 15 (must equal line 34)	266,625,000	16	266,823,000	
Liabilities	17 Accounts payable and accrued expenses	21,200,000	17	30,160,000
	18 Grants payable	0	18	0
	19 Deferred revenue	2,928,000	19	2,956,000
	20 Tax-exempt bond liabilities	40,311,000	20	39,846,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	14,190,000	23	10,512,000
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	12,972,000	25	13,332,000
26 Total liabilities. Add lines 17 through 25	91,601,000	26	96,806,000	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	101,308,000	27	93,099,000
	28 Temporarily restricted net assets	32,731,000	28	33,955,000
	29 Permanently restricted net assets	40,985,000	29	42,963,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	175,024,000	33	170,017,000	
34 Total liabilities and net assets/fund balances	266,625,000	34	266,823,000	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	206,521,290
2	Total expenses (must equal Part IX, column (A), line 25)	2	207,666,858
3	Revenue less expenses Subtract line 2 from line 1	3	-1,145,568
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	175,024,000
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,861,432
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	170,017,000

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
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	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number

74-2044647

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 **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 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 that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2011. 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 <input type="checkbox"/>		
b 33 1/3% support test—2010. If the organization did not check the 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 <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
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 <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2011.** 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—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Complete if the organization is described below.

Attach to Form 990 or Form 990-EZ. See separate instructions.

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

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

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

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number

74-2044647

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

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
4a Was a correction made?
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		180,396
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV		No	
j Total lines 1c through 1i			180,396
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i

Also, complete this part for any additional information

Identifier	Return Reference	Explanation
SchC_P2B_S00_L01	Schedule C, Part II-B, Line 1	National Jewish Health is continually expanding its research programs To assist with this goal, representatives of National Jewish Health identify potential sources of funding, then market and promote National Jewish Health research scientists and programs as worthy recipients of these funds The marketing efforts, both state and nationwide, can include working with the various congressional representatives and agencies that oversee research funding and the grant request process National Jewish Health also utilizes lobbyists to lobby congressional representatives on healthcare issues which impact the healthcare of our patients

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number 74-2044647

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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?

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1
(ii) Assets included in Form 990, Part X

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

a Revenues included in 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 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 XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to 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	89,490,000	80,358,000	57,597,000	65,021,000	
b Contributions	2,600,000	62,000	17,136,000	4,998,000	
c Investment earnings or losses	-395,000	13,283,000	5,951,000	-7,146,000	
d Grants or scholarships	0	0	0	0	
e Other expenditures for facilities and programs	2,231,000	4,213,000	326,000	5,276,000	
f Administrative expenses	0	0	0	0	
g End of year balance	89,464,000	89,490,000	80,358,000	57,597,000	

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment ▶ 46.054 %
- b** Permanent endowment ▶ 51.474 %
- c** Term endowment ▶ 2.472 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

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

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. 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	0	13,086,000		13,086,000
b Buildings	0	118,044,000	54,965,000	63,079,000
c Leasehold improvements	0	24,000	12,000	12,000
d Equipment	0	76,426,000	54,656,000	21,770,000
e Other	0	408,000	102,000	306,000
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				98,253,000

Part VII Investments—Other Securities. 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		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	35,000
Liability under Annuity Contracts	10,807,000
Liability under Unitrust Agreements	1,928,000
Estimated 3rd Party Payor Settlements	562,000
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	13,332,000

2. Fin 48 (ASC 740) Footnote In Part XIV, 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 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	206,521,290
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	207,666,858
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,145,568
4	Net unrealized gains (losses) on investments	4	-3,861,432
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net) Add lines 4 - 8	9	-3,861,432
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-5,007,000

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	202,301,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-3,861,432
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	-3,861,432
3	Subtract line 2e from line 1	3	206,162,432
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	358,858
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	358,858
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	206,521,290

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	207,308,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	207,308,000
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	358,858
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	358,858
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	207,666,858

Part XIV Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P05_S00_L04	Schedule D, Part V, Line 4	National Jewish endowment funds are used to support our mission Many funds are restricted by the donor for purposes such as immunology research, indigent care, fellowships and faculty support Unrestricted funds are used for the area of greatest need as established by the Board of Directors

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2011

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number 74-2044647

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

- a Mail solicitations, b Internet and e-mail solicitations, c Phone solicitations, d In-person solicitations, e Solicitation of non-government grants, f Solicitation of government grants, g Special fundraising events

2a Did the organization have a written or oral agreement with any individual... Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements...

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. Includes rows for Pep Direct and Specialized Fundraising Services Inc.

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

AK, AL, AZ, CA, CO, CT, DC, FL, GA, IL, KS, KY, MA, MD, ME, MN, MO, MS, NC, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, TN, UT, WA, WI, WV

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>Denver Gala</u> (event type)	<u>New York Gala</u> (event type)	<u>17</u> (total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	1,433,494	2,860,885	2,276,117	6,570,496
	2 Less Charitable contributions	1,295,994	2,545,885	1,778,372	5,620,251
	3 Gross income (line 1 minus line 2)	137,500	315,000	497,745	950,245
Direct Expenses	4 Cash prizes	0	0	0	0
	5 Non-cash prizes	0	0	0	0
	6 Rent/facility costs	18,340	17,101	193,335	228,776
	7 Food and beverages	205,147	283,786	389,399	878,332
	8 Entertainment	167,950	60,000	23,546	251,496
	9 Other direct expenses	484,027	340,943	383,104	1,208,074
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
11 Net income summary Combine lines 3 and 10 in column (d) ▶					-1,616,433

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7 Direct expense summary Add lines 2 through 5 in column (d) ▶					()
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," Explain _____

- 11** Does the organization operate gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a
b An outside facility	13b

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

- Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
SchG_P01_S00_L02b	Schedule G, Part I, Line 2b	National Jewish Health has contracted with PEP Direct in Wilton, New Hampshire, to aid and assist with the direct mail program PEP Direct is contracted to provide fundraising counsel, strategic planning, account management, creative design, print and lettershop production services, and results analysis for the direct mail program A monthly fee is charged for account, strategy, and production management services For the fiscal year ending June 30, 2012, these fees totaled \$142,785 Based on the contract, other fundraising expenses are paid to or reimbursed to PEP Direct for printing, paper, postage, lettershop work, etc These additional fundraising expenses totaled \$1,457,732 for the same fiscal period

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number 74-2044647

Part I Charity Care and Certain Other Community Benefits at Cost

- 1a Did the organization have a charity care policy? If "No," skip to question 6a
1b If "Yes," is it a written policy?
2 If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year
3a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care?
3b Did the organization use FPG to determine eligibility for providing discounted care?
4 Did the organization's policy provide free or discounted care to the "medically indigent"?
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?
5b If "Yes," did the organization's charity care expenses exceed the budgeted amount?
5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?
6a Did the organization prepare a community benefit report during the tax year?
6b If "Yes," did the organization make it available to the public?
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

Table with 3 columns: Question ID, Yes, No. Rows correspond to questions 1a through 6b.

7 Charity Care and Certain Other Community Benefits at Cost

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Charity Care and Means-Tested Government Programs and Other Benefits.

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense	2		1,647,452
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3		0
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	12,576,460
6 Enter Medicare allowable costs of care relating to payments on line 5	6	18,379,120
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-5,802,660
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	Yes
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	National Jewish Health 1400 Jackson Street Denver, CO 80206	X			X		X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

National Jewish Health

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____ 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
d <input type="checkbox"/> Participation in community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
8 Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care ____% If "No," explain in Part VI the criteria the hospital facility used	9	No

Part V Facility Information *(continued)*

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400%</u> If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	Yes	
12	Explained the method for applying for financial assistance?	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why		No
a <input checked="" type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input type="checkbox"/> Other (describe in Part VI)		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	Yes	

Part V Facility Information (continued)**Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 8

Name and address	Type of Facility (Describe)
1 National Jewish Health Highlands Ranch 8671 South Quebec Street Suite 120 Highlands Ranch, CO 80130	Adult and Pediatric Speciality Outpatient Clinic
2 National Jewish Health South Denver 499 East Hampden Ave Suite 300 Englewood, CO 80113	Adult Speciality Outpatient Clinic
3 National Jewish Health Sleep Center South Townplace Suites by Marriott 7877 S Chester St Englewood, CO 80112	Sleep Clinic
4 National Jewish Health Sleep Center North Townplace Suites by Marriott 480 Flatiron Blvd Broomfield, CO 80021	Sleep Clinic
5 National Jewish Health Aspen Valley Aspen Valley Hospital 401 Castle Creek Aspen, CO 81611	Adult Speciality Outpatient Clinic
6 National Jewish Health Vail Valley Shaw Regional Cancer Center Clinic 322 Beard Creek Road Edwards, CO 81632	Pediatric Speciality Outpatient Clinic
7 National Jewish Health Glenwood Springs Morning Castle Valley Childrens Clinic 820 Castle Valley Boulevard New Castle, CO 81647	Pediatric Speciality Outpatient Clinic
8 National Jewish Health Glenwood Springs Afternoon Mid Valley Medical Center 1450 East Valley Road Basalt, CO 81621	Pediatric Speciality Outpatient Clinic
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
SchH_P01_S00_L03c	Schedule H, Part I, Line 3c	National Jewish uses a sliding scale to determine the amount a patient owes if they qualify for assistance Patient responsibility for the bill ranges from \$15 to a discount of 40% of charges based on financial need National Jewish reviews income level, asset level, medical indigency, insurance status, uninsured discount and state regulation when determining patient financial need

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07	Schedule H, Part I, Line 7	National Jewish Health conducts an annual study to determine the costs of all major programs. Through this study, which allocates specific costs across major programs, we determine the cost of clinical care. This ratio is multiplied by the total bad debt charges to determine cost. It is the same methodology used to determine cost of free and reduced care. National Jewish classifies accounts as bad debt at the end of the collection cycle once contractual adjustments and payments have been applied. An account is considered bad debt after all reasonable collection efforts have been made.

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07g	Schedule H, Part I, Line 7g	Subsidized health services included expenses for two outpatient physician clinics as follows Vail Valley Clinic expense-4,703 and Glenwood Springs Clinic expense-49,347

Identifier	ReturnReference	Explanation
SchH_P03_S0A_L04	Schedule H, Part III, Section A, Line 4	Net patient service revenue is reported as the estimated net realizable amounts receivable from patients, third-party providers and others for services rendered. Amounts reimbursed for services rendered to patients recovered under various insurance programs are generally less than the established billing rates. The estimated difference is recorded as a reduction to net patient service revenue in the period services are rendered.

Identifier	ReturnReference	Explanation
SchH_P03_S0B_L08	Schedule H, Part III, Section B, Line 8	National Jewish Health is committed to providing specialty care to seniors. Patients benefit from extensive time with their healthcare providers, multi-specialty care focused on the whole patient, comprehensive patient education, rehabilitation and thorough diagnostic work-ups and treatment. This care is expensive and many aspects of it are not reimbursed adequately from Medicare. Many patients come to us as a last resort. The ability to access our care without regard to the limitations of insurance is an important benefit to these patients and to their community.

Identifier	ReturnReference	Explanation
SchH_P03_S0C_L09b	Schedule H, Part III, Section C, Line 9b	National Jewish in one of only a handful of outpatient clinics in the area that schedules patients for services on a first come, first serve basis regardless of ability to pay. All patients are provided a full scope of diagnostic and therapeutic services without regard to the patients' financial need. Our collection policies are designed with the patient's ability to pay in mind. All patients are informed of our financial assistance programs in their new patient literature. Our policy is that patients with expected balances greater than \$500 are screened for financial assistance prior to receiving services to ensure that we qualify them as early as possible for assistance programs. Patients who qualify for assistance programs are held accountable only for a sliding scale copayment based on the federal poverty level. If, at any time either before or after services are rendered, the patient expresses concern over an ability to pay their bill, they are referred to financial counselors who specialize in qualifying patients for assistance programs, including National Jewish Health's own financial assistance. Patients are also offered no-interest flexible payment plans that range from 6 months to 5 years.

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L19	Schedule H, Part V, Section B, Line 19	National Jewish is one of only a handful of outpatient clinics in the area that schedules patients for services on a first come, first serve basis regardless of ability to pay. All patients are provided a full scope of diagnostic and therapeutic services without regard to the patients' financial need. National Jewish Health evaluates financial need for all patients without insurance with balances in excess of \$500 and all other patients, including insured patients, who express a financial need. If a patient qualifies for assistance, National Jewish uses a sliding scale to determine the amount a patient owes. Patient responsibility for the bill ranges from \$15 to a discount of 40% of charges based on financial need. Patients who do not qualify for assistance are eligible for a prompt payment discount of up to 30%.

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L21	Schedule H, Part V, Section B, Line 21	Foreign patients, patients that don't qualify for assistance do not benefit from any discounts other than prompt pay discounts. Depending on circumstances, prompt pay discounts can be as high as 30%.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L02	Schedule H, Part VI, Line 2	<p>National Jewish Health (NJH) is a nationwide referral center for respiratory, cardiac, and immune related diseases. We conduct extensive biomedical research and education of healthcare professionals and the community. To ensure that our programs meet the needs of the national community we serve, NJH maintains a significant presence within the community and continually assesses community needs. Our Board of Directors and National Council of Trustees are comprised of business, medical and community leaders from around the country. These individuals are heavily involved in their communities and work diligently to ensure that National Jewish meets healthcare needs. Our faculty and management serve as leaders on a variety of community boards and committees, from the National Institutes of Health to local school accountability committees. Through this involvement, National Jewish maintains a solid understanding of community requirements. National Jewish faculty collaborates with their colleagues around the world to assess disease progression and treatments. Every three years, National Jewish reviews its strategic vision and updates its strategic plan. As part of this effort, National Jewish seeks out community leaders, governmental leaders and our colleagues at other healthcare organizations to ensure that our strategic direction is well-aligned to meet the healthcare needs of the community we serve.</p>

Identifier	ReturnReference	Explanation
SchH_P06_S00_L03	Schedule H, Part VI, Line 3	National Jewish Health maintains a financial counseling department designed to help patients obtain needed assistance. All patients receive financial assistance program information as part of their new patient literature. Financial counselors actively seek out any patient with a possible obligation of more than \$500 to help them understand their obligations. As part of this process, the counselors inquire about financial need and educate patients on the various assistance programs available to them, including National Jewish's own financial assistance program. The counselors are available to assist patients in applying for need based programs and in establishing payment plans and options.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L04	Schedule H, Part VI, Line 4	National Jewish Health serves national and international communities. Though based in Denver, Colorado, a significant percentage of our patients come from out of state and internationally. Our scientists collaborate with institutions around the world and with the Federal Government. Our research brings cutting edge discoveries to communities around the world. Our training programs are both national and international.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L05	Schedule H, Part VI, Line 5	<p>National Jewish Health invests significant resources in meeting the healthcare needs of our community. Since our founding over 111 years ago, when NJH was a free hospital for the care of indigent TB patients, National Jewish Health has been committed to meeting the medical needs of the underserved in the community. National Jewish is one of only a handful of outpatient clinics in the area that schedules patients for services on a first come, first serve basis regardless of ability to pay. All patients are provided a full scope of diagnostic and therapeutic services without regard to the patients' financial need. Our clinicians serve at multiple locations throughout the state in order to ease access to our services. As a teaching institution, our faculty educates and trains tomorrow's doctors, nurses and other healthcare staff. Every year, National Jewish spends millions of dollars to conduct the full continuum of research from basic science to clinical application. National Jewish operates a K-8 school on our campus devoted exclusively for chronically ill children with special medical needs. To our knowledge it is the only school of its kind on a healthcare campus in the country. Overwhelmingly, the students at the school live in poverty and qualify for free or reduced lunches. National Jewish offers free lung testing around the country. We subsidize programs throughout the community including an intercity asthma program in the Denver Public Schools, an Asthma tool kit program for the western slope and a free asthma care and an asthma care and teaching program in lower income communities in Colorado. As a not-for-profit institution our Board of Directors, all of whom are community leaders, are heavily involved in the direction and strategies of furthering our mission "to heal, to discover and to educate." On April 8th, 2010, National Jewish Health was unanimously recognized by the Colorado House and Senate for our vital role in serving the health needs of Colorado citizens.</p>

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number

74-2044647

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- First-class or charter travel
 - Travel for companions
 - Tax idemnification and gross-up payments
 - Discretionary spending account
 - Housing allowance or residence for personal use
 - Payments for business use of personal residence
 - Health or social club dues or initiation fees
 - Personal services (e g , maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- Compensation committee
- Independent compensation consultant
- Form 990 of other organizations
- Written employment contract
- Compensation survey or study
- Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Michael Salem MD	(i) (ii)	648,286 0	361,756 0	16,500 0	21,610 0	5,574 0	1,053,726 0	332,652 0
(2) Greg Downey MD	(i) (ii)	334,667 0	134,250 0	37,504 0	21,454 0	8,514 0	536,389 0	186,085 0
(3) Richard Martin MD	(i) (ii)	347,455 0	116,058 0	22,463 0	21,454 0	8,514 0	515,944 0	189,480 0
(4) Erwin Gelfand MD	(i) (ii)	326,716 0	98,315 0	22,000 0	21,464 0	8,514 0	477,009 0	174,167 0
(5) Ron Berge	(i) (ii)	252,709 0	101,500 0	38,500 0	21,489 0	7,974 0	422,172 0	142,269 0
(6) Christine K Forkner	(i) (ii)	265,672 0	101,500 0	16,500 0	21,489 0	11,274 0	416,435 0	137,761 0
(7) David Tinkelman MD	(i) (ii)	251,021 0	74,169 0	38,164 0	21,472 0	8,514 0	393,340 0	149,371 0
(8) Carol Gibson	(i) (ii)	254,638 0	70,315 0	0 0	21,506 0	306 0	346,765 0	127,424 0
(9) Lisa Tadiri	(i) (ii)	120,470 0	7,417 0	16,500 0	10,436 0	11,274 0	166,097 0	0 0
(10) Debra Dyer MD	(i) (ii)	306,620 0	11,221 0	22,000 0	21,610 0	11,274 0	372,725 0	162,470 0
(11) David Lynch MD	(i) (ii)	312,067 0	8,444 0	20,980 0	21,610 0	306 0	363,407 0	166,381 0
(12) Valerie Hale MD	(i) (ii)	302,721 0	1,960 0	30,732 0	21,610 0	5,574 0	362,597 0	166,727 0
(13) Joyce D Schroeder	(i) (ii)	296,722 0	622 0	22,000 0	21,610 0	9,828 0	350,782 0	159,361 0
(14) Jeffrey A Kern	(i) (ii)	277,490 0	44,720 0	22,000 0	750 0	5,382 0	350,342 0	0 0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	NJH paid for Dr. Richard Martin to fly first class to Amsterdam on 9/26/11. The total cost was \$6,414.60. The benefit was not treated as taxable compensation as NJH will pay for first class travel for any employee if the flight is longer than 8 hours. NJH also paid first class travel for an employee who is not a listed person-Dr. James Crapo. A trip to Germany on 6/23/11 which cost of \$4,049.
SchJ_P02_S00_L00	Schedule J, Part II	While Dr. Jeffrey Kern and Lisa Tadiri were not listed in the 2010 990, they did have income that would be reported in Part II, Col (F) in the amount of \$171,355 and \$60,632, respectively.

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**

▶ **Attach to Form 990. ▶ See separate instructions.**

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number
74-2044647

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Colorado Health Facilities Authority	84-0752932	196474V98	01-20-2005	13,500,000	Construction of a clinical and research facility		X		X		X
B Colorado Health Facilities Authority	84-0752932	19648AXX8	03-20-2012	28,176,276	Refunding of the Series 1998 and 1998B CHFA Bonds dated 4/1/98 and 11/1/98, respectively		X		X		X

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired	1,800,000	0		
2 Amount of bonds defeased	0	0		
3 Total proceeds of issue	13,500,000	28,176,276		
4 Gross proceeds in reserve funds	782,800	2,704,750		
5 Capitalized interest from proceeds	0	0		
6 Proceeds in refunding escrow	0	0		
7 Issuance costs from proceeds	255,000	466,581		
8 Credit enhancement from proceeds	15,000	0		
9 Working capital expenditures from proceeds	0	0		
10 Capital expenditures from proceeds	12,447,200	0		
11 Other spent proceeds	0	25,004,946		
12 Other unspent proceeds	0	0		
13 Year of substantial completion	2007			
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X	X	
15 Were the bonds issued as part of an advance refunding issue?		X	X	
16 Has the final allocation of proceeds been made?	X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X	

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use?		X						
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?	X							
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %							
6 Total of lines 4 and 5	0 %							
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2 Is the bond issue a variable rate issue?	X			X				
3a Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								
4a Were gross proceeds invested in a GIC?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X				
6 Did the bond issue qualify for an exception to rebate?	X			X				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations Yes No

Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
SchK_P02_S00_L07	Schedule K, Part II, Line 7	In January 2005, the Colorado Health Facilities Authority issued \$13,500,000 aggregate principal amount of its Series 2005 Revenue Bonds (the 2005 Bonds) dated January 20, 2005. Proceeds from the 2005 Bonds were used to finance the construction of a clinical and research building, as well as several renovation projects and equipment. Issuance costs from the proceeds totaled \$270,000. \$255,000 was used to pay bond issuance costs including underwriter's discount, rating agency fees, bond counsel and trustee fees. The remaining \$15,000 was used to pay for credit enhancement fees. In March 2012, the Colorado Health Facilities Authority issued \$26,790,000 aggregate principal amount of its Series 2012 Refunding Revenue Bonds (the 2012 Bonds) dated March 20, 2012. Proceeds from the 2012 Bonds were used to refund the Colorado Health Facilities Revenue Bonds Series 1998 and 1998B. Issuance costs from the proceeds totaled \$466,581.
SchK_P03_S00_L04	Schedule K, Part III, Line 4	National Jewish Health's world renowned research staff periodically engages in clinical drug studies sponsored by corporations. During the fiscal year ended June 30, 2012, there was some research that resulted in private business use for the property that was financed by the Series 2005 Revenue Bonds dated January 20, 2005. The average percentage during the year of the financed property that was used in private business use by a nongovernmental entity was less than one percent (1%). None of the private business use is considered an unrelated trade or business.

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization: NATIONAL JEWISH HEALTH

Employer identification number: 74-2044647

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only). Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Mariner Kemper	Director of Corporation	293,223	banking services and LOC fees		No
(2) Walter Isenberg	Family member of Director of Corporation	214,552	rooms for sleep clinic patients		No
(3) Lisa C Cicutto	Family member of Dr Greg Downey	146,436	compensation as employee		No
(4) JM Wands	Family member of Lisa Tadini	45,285	compensation as employee		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number
74-2044647

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art	X	7	64,800	Appraisal
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	X	15	121,746	Market Value
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 ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** 1

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 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?		No
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		No
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number

74-2044647

Identifier	Return Reference	Explanation
F990_P06_S0A_L02	Form 990, Part VI, Section A, Line 2	The following officers, directors, trustees, or key employees have a family or business relationship with another officer, director, trustee or key employee Gold, Bill-Family and business relationship Gold, Will-Family and business relationship Kemper, Mariner-Business relationship Richardson, Blair-Business Relationship Robinson, Eddie-Business relationship Salem, Hassan-Business Relationship, Saltzman, Meyer-Business relationship Zucker, Evan-Business relationship
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	The form 990 was prepared by the Finance Staff and was reviewed by the Controller, EVP/Chief Financial Officer and President/Chief Executive Officer It was distributed to the Board of Directors prior to issuance Board members are not required to review the return prior to filing
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	National Jewish Health requires all employees and board members to complete a conflict of interest (COI) declaration statement annually Each individual's COI statement is reviewed by their Director or Senior Manager All statements with COIs are reviewed by the Chief Compliance Officer (CCO) The EVP and Chief Operating Officer is the CCO The CCO reviews any comments from the Director and or Senior Manager and when conflicts are present develops a plan to either eliminate the conflict or develops a plan to manage the conflict COIs involving the CEO would be taken to the Chairman of the Board for resolution If the EVP/COO had a COI it would be resolved by the CEO Board member conflicts are reviewed by the Audit Committee Board members with conflicts are asked to recuse themselves from any Board deliberations, decisions, or negotiations related to their conflict
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	Executive compensation decisions are made by the Compensation Committee of the Board of Directors The committee relies on the report of an independent compensation consultant for compensation decisions The committee also utilizes independent data to compare the incumbent's compensation to that for similarly qualified individuals in comparable positions at similarly situated organizations Specific sources include, but are not limited to The Association of American Medical Colleges, Mountain States Employers Council, Economic Research Institute, Mercer, Sullivan Cotter and Associates, Inc , and Watson Wyatt Worldwide, Inc Contemporaneous documentation is maintained of Committee deliberations and decisions
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	National Jewish Health's Articles of Incorporation are available to the general public through the Colorado Secretary of State's office It's annual financial audited financial statements and other financial statistics are available on the National Jewish website and the Municipal Market Access System (EMMA) National Jewish Health does not make its Bylaws or Conflict of Interest Policy available to the public
F990_P10_S00_L03	Form 990, Part X, Line 3	The Beginning of the year number changed for Pledges and grant receivables, net from 12,389,000 to 13,079,000 due to a reclass in the audited financial statements
F990_P10_S00_L19	Form 990, Part X, Line 19	The Beginning of the year number changed for Deferred revenue from 2,238,000 to 2,928,000 due to a reclass in the audited financial statements
F990_P11_S00_L05	Form 990, Part XI, Line 5	The net unrealized loss on investments is 3,861,432 as reported in Schedule D, Part XI, Line 4

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number
74-2044647

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) National Jewish Illiquid Asset Holding Company 1400 Jackson St Denver, CO 80206 74-2044647	Property Holding	CO	0	27	N/A

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 organization	
						Yes	No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

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

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

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 **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

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

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 other organization	(b) Transaction type(a-r)	(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 section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier**Return Reference****Explanation****Schedule R (Form 990) 2011**

National Jewish Health and Subsidiary

Consolidated Financial Statements
(With Independent Auditors' Report Thereon)

June 30, 2012 and 2011

National Jewish Health and Subsidiary

June 30, 2012 and 2011

Contents

Independent Auditors' Report.....	1
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Consolidated Financial Statements

Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7

Independent Auditors' Report

Board of Directors
National Jewish Health
Denver, Colorado

We have audited the accompanying consolidated statements of financial position of National Jewish Health and Subsidiary (National Jewish) as of June 30, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of National Jewish's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Jewish as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

October 11, 2012

National Jewish Health and Subsidiary
Consolidated Statements of Financial Position
June 30, 2012 and 2011
(In thousands)

	2012	2011
Current assets		
Cash and cash equivalents	\$ 1,048	\$ 6,694
Short-term investments	25	21
Accounts receivable		
Patient care, net of estimated uncollectibles of \$19,323 and \$16,114, respectively	19,693	16,454
Grant revenue receivable	4,888	5,270
Bequests, net of allowance for uncollectibles of \$50 and \$293, respectively	3,729	4,087
Pledges receivable, current portion, net of allowance for uncollectibles of \$168 and \$211, respectively	1,385	1,748
Other	3,427	3,089
Total receivables	33,122	30,648
Assets held by trustees – current portion	1,856	2,136
Prepaid expenses	1,862	1,298
Drugs and supplies	1,270	1,326
Total current assets	39,183	42,123
Assets whose use is limited		
Internally designated assets	41,202	42,954
Assets held by trustee, net of current portion	2,015	2,627
Assets reserved for gift annuities	9,273	10,055
Other	381	390
Total assets whose use is limited	52,871	56,026
Other assets		
Long-term investments	55,986	52,857
Contributions receivable under unitrust agreements	4,154	4,596
Pledges receivable, net of current portion and allowance for uncollectibles of \$1,493 and \$906 respectively	1,962	1,974
Beneficial interest under perpetual trust agreements	10,497	10,156
Unamortized bond and lease issuance costs	639	591
Goodwill, net of accumulated amortization of \$656 and \$656, respectively	900	900
Other	2,378	487
Total other assets	76,516	71,561
Property and equipment, at cost		
Land	13,086	12,523
Buildings	117,174	114,279
Equipment and software	76,296	71,132
Construction in progress	1,432	2,386
	207,988	200,320
Less accumulated depreciation	(109,735)	(103,405)
Property and equipment, net	98,253	96,915
Total assets	\$ 266,823	\$ 266,625

National Jewish Health and Subsidiary
Consolidated Statements of Financial Position
June 30, 2012 and 2011
(In thousands)

	<u>2012</u>	<u>2011</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 9,808	\$ 9,405
Line of credit	7,066	-
Current portion of workers' compensation	434	487
Accrued salaries, wages, and employee benefits	6,388	7,161
Unearned grant revenue	1,618	1,507
Estimated settlements with third-party payors	562	484
Current portion of accrued vacation	2,300	2,422
Current portion of long-term debt, including capital lease	4,507	4,293
Current liability under annuity contracts	1,525	1,676
Current liability under unitrust agreements	147	82
Total current liabilities	<u>34,355</u>	<u>27,517</u>
Accrued vacation	1,475	1,255
Other	4,062	1,908
Liability under annuity contracts	9,282	10,055
Liability under unitrust agreements	1,781	658
Long-term debt, net of current portion	45,851	50,208
Total liabilities	<u>96,806</u>	<u>91,601</u>
Net assets		
Unrestricted	93,099	101,308
Temporarily restricted	33,955	32,731
Permanently restricted	42,963	40,985
Total net assets	<u>170,017</u>	<u>175,024</u>
Total liabilities and net assets	<u>\$ 266,823</u>	<u>\$ 266,625</u>

National Jewish Health and Subsidiary
Consolidated Statements of Activities
Years Ended June 30, 2012 and 2011
(In thousands)

	2012	2011
Changes in unrestricted net assets		
Unrestricted revenue, gains, and other support		
Net patient service revenue	\$ 108,857	\$ 100,034
Health initiatives revenue	7,775	9,261
Professional education revenue	2,148	2,473
Federal grant revenue	47,674	60,055
Other operating revenue	7,900	7,472
Major gifts	1,073	2,054
Direct mail	2,386	2,229
Special events, net of direct donor benefits of \$3.073 and \$2.671, respectively	253	1,109
Bequests	4,974	3,955
Gift annuity contributions	282	1,006
Investment income, net	715	8,160
Total unrestricted revenue, gains, and other support	184,037	197,808
Net assets released from restriction		
Net assets released from restriction – grants	6,693	6,906
Net assets released from restriction – public support	9,501	6,192
Total net assets released from restriction	16,194	13,098
Expenses		
Academic services	88,069	97,317
Clinical services	57,417	51,415
Administration and fiscal support	24,120	21,528
Support services	11,172	10,969
Marketing and health initiatives	13,604	12,263
Professional education	2,317	1,859
Fund development	8,063	7,600
Bad debt expense	2,546	2,774
Total expenses	207,308	205,725
Loss on Debt Refunding	1,175	-
(Decrease) Increase in value of split-interest agreements	(43)	183
Total expenses and losses	208,440	205,908
(Decrease) Increase in unrestricted net assets	(8,209)	4,998

National Jewish Health and Subsidiary
Consolidated Statements of Activities (continued)
Years Ended June 30, 2012 and 2011
(In thousands)

	<u>2012</u>	<u>2011</u>
Changes in temporarily restricted net assets		
Restricted grant support	7,030	6,544
Major gifts	3,836	2,839
Direct mail	288	343
Special events	3,246	1,457
Bequests	3,025	4,019
Contributions of split-interest agreements	71	271
Change in value of split-interest agreements	(1,047)	7,924
Investment Gain, net	969	117
Total temporarily restricted revenue	<u>17,418</u>	<u>23,514</u>
Net assets released from restriction – grants	(6,693)	(6,906)
Net assets released from restriction – public support	(9,501)	(6,192)
Net assets moved to permanently restricted – public support	-	(79)
Total net assets released from restriction	<u>(16,194)</u>	<u>(13,177)</u>
Increase (decrease) in temporarily restricted net assets	<u>1,224</u>	<u>10,337</u>
Changes in permanently restricted net assets		
Contributions	1,637	1,485
Investment gain net	341	1,791
Net assets moved to permanently restricted – public support	-	79
Total permanently restricted gain	<u>1,978</u>	<u>3,355</u>
Increase in permanently restricted net assets	<u>1,978</u>	<u>3,355</u>
(Decrease) Increase in net assets	<u>(5,007)</u>	<u>18,690</u>
Net assets, beginning of year	<u>175,024</u>	<u>156,334</u>
Net assets, end of year	<u>\$ 170,017</u>	<u>\$ 175,024</u>

National Jewish Health and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2012 and 2011
(In thousands)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (5,007)	\$ 18,690
Items not requiring cash		
Depreciation	9,730	9,046
Bad debt expense	2,546	2,774
Unrealized gains	3,859	(12,998)
Permanently restricted revenue, net	(1,978)	(3,355)
Loss on disposal of property and equipment	131	20
Bond premium and discount amortization	901	26
Changes in		
Patient care accounts receivable	(5,785)	(3,735)
Grant receivables	(308)	78
Bequests receivable	358	(3,530)
Other current assets	(845)	(437)
Contribution receivable	443	30
Pledges receivable	375	(696)
Beneficial interest under perpetual trust	(341)	(1,792)
Other assets	(1,940)	82
Estimated third-party payor settlements	78	136
Accounts payable and accrued expenses, workers' compensation, accrued salaries, wages, and employee benefits and unearned grant revenue	2,539	1,888
Accrued vacation	98	245
Deferred contributions	(9)	-
Net cash provided by operating activities	<u>4,845</u>	<u>6,472</u>
Cash flows from investing activities		
Purchases of property and equipment	(11,201)	(17,520)
Proceeds from sales of internally designated assets	9,659	12,022
Purchases of internally designated assets	(9,067)	(8,249)
Proceeds from sale of assets held by trustee	893	129
Purchases of investments and assets reserved for gift annuities	(26,185)	(16,263)
Proceeds from sale of investments and assets reserved for gift annuities	<u>21,145</u>	<u>14,124</u>
Net cash used in investing activities	<u>(14,756)</u>	<u>(15,757)</u>
Cash flows from financing activities		
Line of credit	7,066	-
Proceeds from issuance of long-term debt	-	8,750
Repayment of long-term debt	(5,043)	(3,908)
Increase (decrease) in liability under gift annuity agreements	(924)	920
Decrease in liability under unitrust agreements	1,188	(24)
Increase in permanently restricted net assets	1,978	3,355
Net cash provided by financing activities	<u>4,265</u>	<u>9,093</u>
Net (decrease) increase in cash and cash equivalents	(5,646)	(192)
Cash and cash equivalents, beginning of year	6,694	6,886
Cash and cash equivalents, end of year	<u>\$ 1,048</u>	<u>\$ 6,694</u>
Supplemental schedule of noncash activities		
Cash paid for interest	<u>\$ 1,738</u>	<u>\$ 1,840</u>

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(1) Corporate Organization

(a) Organization

National Jewish Health and Subsidiary (National Jewish), a Colorado nonprofit corporation, is a national referral medical institute engaged in patient care, medical research, and teaching, primarily in areas of respiratory, allergic, and immunologic medicine. National Jewish is the product of a consolidation in 1978 between National Jewish Hospital and Research Center, founded in 1899, and National Asthma Center, founded in 1907.

In 2002, the National Jewish Illiquid Assets Holding Company, LLC, a wholly owned subsidiary of National Jewish, was incorporated. The purpose of this subsidiary is to hold donated property until sold. All related intercompany transactions and balances have been eliminated in consolidation.

National Jewish's activities are supported by numerous voluntary organizations and advisory boards in cities across the United States. The auxiliary organizations, although chartered by National Jewish, maintain their own financial records and submit the net proceeds of their fundraising activities to National Jewish. Because National Jewish does not exercise financial control over its auxiliary organizations, it does not maintain accounting records concerning their activities, and the accompanying consolidated financial statements do not reflect such activities.

National Jewish is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC and a similar provision of state law.

(b) Compliance with Health Care Industry Laws and Regulations

All hospitals and other providers of healthcare are subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse.

Recently, government activity has increased with respect to investigations and allegations involving several healthcare providers throughout the country concerning possible violations of fraud and abuse statutes and regulations by these healthcare providers. Violations of these laws and regulations can result in expulsion from government healthcare programs together with imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that National Jewish is in substantial compliance with applicable government laws and regulations.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

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

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(b) Contributions, Promises to Give and Bequests

National Jewish receives funding from a number of sources. Contributions received from donors are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those respective net asset classes. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction. When the donor restriction expires, the contribution is reclassified to unrestricted net assets and reported in the consolidated statements of activities as "net assets released from restriction – public support." All expenses directly related to donor restrictions are included in the appropriate expense category as a reduction in unrestricted net assets on the accompanying consolidated statements of activities.

Unconditional promises to give that are expected to be collected within one year are recorded at fair value. Unconditional promises to give that are expected to be collected in future years are also recorded at their estimated fair value, which represents the present value of their estimated future cash flows. Amortization of the related present value discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions placed on the gift by the donor are substantially met.

Bequest income is recognized when all of the following criteria are met: (1) National Jewish has received notification of the donor's death, (2) National Jewish has a copy of the valid will or trust document evidencing the bequest, and (3) the value of the gift can be reasonably estimated. Accrued bequest income is shown as temporarily restricted until received.

(c) Pooled Income Gifts

National Jewish also receives pooled income gifts. Under the terms of these contributions, the gifts of various donors are pooled and invested as a group. Each donor is allocated a percentage of the assets, referred to as units. The donor is paid the income, as defined under the arrangement, earned on the donor's assigned units. Upon the donor's death, the value of these assigned units reverts to National Jewish. The remainder interest in the assets received is recognized as temporarily restricted contributions revenue in the period in which the assets are received from the donor. The contribution is measured at the fair value of the assets to be received, discounted for the estimated time period until the donor's death. The contributed assets are recognized at fair value when received. The difference between the fair value of the assets received and the revenue recognized is recorded as deferred revenue, representing the amount of the discount for future interest.

(d) Beneficial Interest in Perpetual Trusts

National Jewish receives perpetual trusts in which it has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the corpus. These trusts are administered by third parties and are recognized as contribution revenue and as an asset upon notification of the trust's existence. The contribution is measured at the fair value of the trust's assets, which approximates the present value of the estimated future cash receipts from the trust's assets. The revenue is classified as permanently restricted support. Annual distributions from the trusts are reported as unrestricted investment income unless restricted by the donor.

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(e) Charitable Remainder Trusts

National Jewish is the beneficiary in various charitable remainder trusts in which a donor establishes and funds a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. Under the terms of the trust, National Jewish receives the assets remaining upon termination of the trust. The distributions to the beneficiaries may be for a specified dollar amount, an arrangement called a charitable remainder annuity trust (CRAT), or for a specified percentage of the trust's fair value determined annually, an arrangement called a charitable remainder unitrust (CRUT). Some CRUTs limit the annual pay out to the lesser of the stated percentage or the actual income earned. Obligations to the beneficiaries are limited to the trust's assets. Contributions are recognized in the period in which the trust is established. For those trusts in which National Jewish is the trustee, the assets are recorded at fair value when received, and the liability to the donor's beneficiary is recorded as the present value of the estimated future payments to be distributed over the beneficiary's expected life. The amount of the contribution is the difference between these amounts and is classified as temporarily restricted support. Changes in actuarial assumptions are recognized in the consolidated statements of activities as changes in value of split-interest agreements in the temporarily restricted net asset class. Income earned on trust assets, gains, and losses is reflected in the consolidated statements of activities. Adjustments to the liability to reflect amortization of the discount or revaluation of the present value of the estimated future payments to the beneficiary are reflected in the consolidated statements of activities. Upon the death of the beneficiary, the liability is closed, and any balance is recognized as a change in the value of split-interest agreements and is reclassified to either temporarily restricted or unrestricted net assets as appropriate.

For those trusts of which National Jewish is not the trustee, the agreement is recognized as an unconditional promise to give. National Jewish recognizes, as temporarily restricted contributions revenue and as a receivable, the estimated fair value of the contribution which represents the present value of the estimated future benefits to be received when the trust assets are distributed upon termination of the trust. Adjustments to the receivable to reflect amortization of the discount or revaluation of the present value of the estimated future benefits are recognized as changes in the value of split-interest agreements. Upon the death of the beneficiary, the receivable is closed, the assets received from the trust are recognized at fair value, and any difference is reported as a change in the value of split-interest agreements and is reclassified to either temporarily restricted or unrestricted net assets as appropriate.

(f) Charitable Lead Trusts

National Jewish is the beneficiary in a charitable lead annuity trust (CLAT) in which a donor establishes and funds a trust with specific distributions to be made to National Jewish over a specified period. The contribution is recognized in the period in which the trust is established. For the trust of which National Jewish is not the trustee, the agreement is recognized as an unconditional promise to give. National Jewish recognizes its beneficial interest in the assets as temporarily restricted contributions revenue and as a receivable, the estimated fair value of the contribution which represents the present value of the estimated future cash flows. Distributions from the trust are reflected as a reduction in the receivable and as reclassifications from temporarily restricted net assets to unrestricted net assets.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(g) Gift Annuities

National Jewish receives charitable gift annuities under terms of which the donor contributes assets to National Jewish in exchange for a promise to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. Assets received under gift annuity agreements are recognized at fair value when received. A corresponding annuity liability is recognized as the present value of future cash flows expected to be paid to the assigned beneficiary. Unrestricted contribution revenue is recognized as the difference between these two amounts. Adjustments to the annuity liability to reflect amortization of the discount and changes in the life expectancy of the beneficiary are recognized in the consolidated statements of activities as changes in the value of split-interest agreements in unrestricted net assets. Upon the death of the beneficiary, the annuity liability is closed, and a change in the value of the split-interest agreements is recognized.

(h) Grant Revenue

Research grant awards are accounted for as either contributions or exchange transactions based on the provisions of the award document. To the extent that grants are contributions, they are recognized as temporarily restricted support until conditions placed on the award by the granting agency have been satisfied. The related revenue is reclassified to unrestricted net assets as the required restrictions are satisfied and is reported in the consolidated statements of activities as "net assets released from restriction – grants." All expenses directly related to grant agreements are included in the academic services expense category as a reduction in unrestricted net assets on the accompanying consolidated statements of activities.

(i) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by internal designation or other arrangements.

(j) Short-term Investments

Short-term investments consist principally of bond funds and other marketable securities. Investments in equity securities with readily determinable fair values and debt securities are carried at fair value as determined by an estimate based on significant other observable inputs.

(k) Financial Instruments

Financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, assets limited as to use, long-term investments, contributions receivable, beneficial interest in perpetual trusts, accounts payable, and long-term debt. The carrying amounts reported in the balance sheets for cash and cash equivalents, short-term investments, accounts receivable, assets limited as to use, long-term investments, contributions receivable, beneficial interest in perpetual trusts, and accounts payable approximate fair value. The estimated fair value of long-term debt is discussed in Note 12.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(l) Debt Issuance Costs

Bond issuance costs and bond discounts related to the issuance of bonds are deferred and amortized over the life of the respective bond issue using the straight-line method. Additionally, capital lease issuance costs related to the issuance of capital leases are deferred and amortized over the life of the capital lease using the straight-line method.

(m) Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of the net assets of the Colorado operations of Sleep HealthCenters, was amortized over a 20-year period prior to 2011. Goodwill is evaluated annually for impairment.

(n) Property and Equipment

Property and equipment that is purchased is stated at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation of buildings and equipment, including amortization of assets under capital leases, is calculated using the straight-line method over the estimated useful lives of the assets in accordance with American Hospital Association guidelines.

(o) Net Patient Service Revenue

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

Amounts reimbursed for services rendered to patients recovered under various insurance programs are generally less than the established billing rates. The estimated difference is recorded as a reduction to net patient service revenue in the period the services are rendered.

Estimated amounts receivable or payable under reimbursement agreements with the Medicare and Medicaid programs are subject to examination and retroactive adjustment. Provisions for estimated retroactive adjustments under such programs are provided in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(p) Subsequent Events

Subsequent events have been evaluated through October 11, 2012, which is the date the financial statements were available to be issued.

(q) Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on the change in net assets.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(3) Charity Care and Community Benefits

National Jewish treats all patients who can benefit from National Jewish's care. Financial assistance is made available to patients based upon their ability to pay, and determinations in individual cases are made during National Jewish's preadmission process. Because National Jewish does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The estimated charges foregone under this policy were \$6,460,000 and \$6,559,000 for the years ended June 30, 2012 and 2011, respectively.

National Jewish also participates in the Medicare and Medicaid programs. Under these programs, National Jewish provides care to patients at payment rates determined by governmental agencies, regardless of actual cost.

(4) Net Patient Service Revenue

National Jewish has agreements with third-party payors that provide for reimbursement to National Jewish at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between National Jewish's established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology. National Jewish is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by National Jewish and audits thereof by the Medicare fiscal intermediary.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services.

Managed Care – National Jewish has entered into agreements with numerous managed care organizations. The basis for payment to National Jewish under these agreements is primarily discounts from established charges and negotiated fee schedules.

National Jewish provides services in Colorado to patients from throughout the United States and internationally. As of June 30, 2012 and 2011, National Jewish's net patient receivable for services rendered was approximately \$19,693,000 and \$16,454,000, respectively. Possible credit losses are provided for in National Jewish's allowance for uncollectible accounts and contractual adjustments.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

The mix of gross patient charges from patients and third-party payors is as follows

	Revenue	
	2012	2011
Medicare	34%	33%
Medicaid	7%	6%
Blue Cross	15%	15%
Managed care	22%	22%
Other third-party payors	22%	24%
	<u>100%</u>	<u>100%</u>

(5) Grant Revenue

Total grant revenue consists of grants from the federal government as well as grants from charitable foundations and private corporations. The composition of total grant revenue for the years ended June 30, 2012 and 2011, is as follows

	2012	2011
Federal grants	\$ 47,674,000	\$ 60,055,000
Charitable foundation and private corporation grants	<u>7,030,000</u>	<u>6,544,000</u>
	<u>\$ 54,704,000</u>	<u>\$ 66,599,000</u>

(6) Promises to Give

Included as receivables are the following unconditional promises to give as of June 30, 2012 and 2011

	2012	2011
Pledges	\$ 5,429,000	\$ 5,326,000
Bequests	<u>3,779,000</u>	<u>4,380,000</u>
Unconditional promises to give before unamortized discount and allowance for uncollectibles	9,208,000	9,706,000
Less unamortized discount - pledges	<u>(422,000)</u>	<u>(487,000)</u>
	8,786,000	9,219,000
Less		
Allowance for uncollectibles - pledges	(1,660,000)	(1,117,000)
Allowance for uncollectibles - bequests	<u>(50,000)</u>	<u>(293,000)</u>
Net unconditional promises to give	<u>\$ 7,076,000</u>	<u>\$ 7,809,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Amounts due in		
Less than one year	\$ 5,459,000	\$ 6,493,000
One to five years	1,746,000	1,610,000
More than five years	<u>2,003,000</u>	<u>1,603,000</u>
Total	<u>\$ 9,208,000</u>	<u>\$ 9,706,000</u>

Discount rates ranged from 0.64% to 5.73% for both 2012 and 2011

(7) Internally Designated Assets

The governing body has designated certain assets for strategic and other future purposes. The composition of internally designated assets stated at fair value, as determined by the most recent market quotations or an estimate based on significant other observable inputs, at June 30, 2012 and 2011, is set forth below.

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 1,064,000	\$ 1,406,000
Common stocks and equity funds	9,341,000	10,103,000
International securities and equities	8,319,000	7,519,000
Fixed income securities	19,271,000	21,650,000
U.S. Government and agency obligations	949,000	1,598,000
Alternative investments	<u>2,258,000</u>	<u>678,000</u>
	<u>\$ 41,202,000</u>	<u>\$ 42,954,000</u>

(8) Long-term Investments

The composition of long-term investments, stated at fair value, as determined by the most recent market quotations or an estimate based on significant other observable inputs at June 30, 2012 and 2011, is as follows:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 1,915,000	\$ 2,667,000
Convertible securities and equities	20,016,000	18,112,000
International securities and equities	18,411,000	15,990,000
Fixed income securities	8,538,000	9,074,000
U.S. Government and agency obligations	1,689,000	3,011,000
Alternative investments	4,714,000	3,294,000
Pooled income funds	<u>703,000</u>	<u>709,000</u>
	<u>\$ 55,986,000</u>	<u>\$ 52,857,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(9) Composition of Investment Returns

The following summarizes the investment return and its classification in the consolidated statements of activities

	2012		
	Unrestricted	Temporarily Restricted *	Permanently Restricted
Interest income	\$ 1,904,000	\$ 989,000	\$ -
Gains			
Realized gains	628,000	1,028,000	341,000
Unrealized gains	<u>(1,817,000)</u>	<u>(2,044,000)</u>	<u>-</u>
Total gains	<u>(1,189,000)</u>	<u>(1,016,000)</u>	<u>341,000</u>
Total return on investments in stock and bond portfolios	<u>\$ 715,000</u>	<u>\$ (27,000)</u>	<u>\$ 341,000</u>

	2011		
	Unrestricted	Temporarily Restricted *	Permanently Restricted
Interest income	\$ 1,601,000	\$ 867,000	\$ -
Gains			
Realized gains	699,000	184,000	1,791,000
Unrealized gains	<u>5,860,000</u>	<u>7,138,000</u>	<u>-</u>
Total gains	<u>6,559,000</u>	<u>7,322,000</u>	<u>1,791,000</u>
Total return on investments in stock and bond portfolios	<u>\$ 8,160,000</u>	<u>\$ 8,189,000</u>	<u>\$ 1,791,000</u>

* Some amounts included in change in value of split-interest agreements on the statement of activities

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(10) Split-interest Agreements

National Jewish has the following split-interest agreements

	2012		
	Assets	Liabilities	Net
Gift annuities	\$ 35,857,000	\$ 10,807,000	\$ 25,050,000
Unitrust agreements			
National Jewish trusteeships	2,257,000	1,928,000	329,000
Third-party trusteeship, net	4,154,000	-	4,154,000
Term endowments	2,096,000	-	2,096,000
Pooled income agreements	713,000	464,000	249,000
Total	<u>\$ 45,077,000</u>	<u>\$ 13,199,000</u>	<u>\$ 31,878,000</u>
	2011		
	Assets	Liabilities	Net
Gift annuities	\$ 36,202,000	\$ 11,731,000	\$ 24,471,000
Unitrust agreements			
National Jewish trusteeships	1,125,000	740,000	385,000
Third-party trusteeship, net	4,596,000	-	4,596,000
Term endowments	2,121,000	-	2,121,000
Pooled income agreements	719,000	473,000	246,000
Total	<u>\$ 44,763,000</u>	<u>\$ 12,944,000</u>	<u>\$ 31,819,000</u>

For the above split-interest agreements, a risk-free rate, obtained using U S Treasury bonds at the date of the gift, was used in conjunction with actuarially determined life expectancies to calculate present values. The interest rates ranged from 0.75% to 1.20% as of June 30, 2012, and 1.20% to 10.00% as of June 30, 2011.

Though the assets received under gift annuity agreements are generally available for unrestricted use and the liability is a general obligation of National Jewish, National Jewish is required by several states to set assets aside to pay the regulatory minimum annuity obligation. These funds are classified as assets reserved for gift annuities on the consolidated statements of financial position. These assets are invested in equities and bonds, which are stated at fair value, as determined by the most recent market quotations or an estimate based on significant other observable inputs, and totaled \$9,272,000 and \$10,055,000 at June 30, 2012 and 2011, respectively.

(11) Construction in Progress

National Jewish is currently in the process of remodeling and upgrading parts of its campus in order to better utilize its facilities. In addition, National Jewish's Information Systems and

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Technology Department is internally developing software for management of its tobacco cessation programs and for a Patient Portal, both are solely for their own use. Accordingly, at June 30, 2012, National Jewish had eight unfinished projects. Total projected costs are estimated at \$1,993,000. As of June 30, 2012, National Jewish has expended \$1,167,000 related to these projects.

(12) Long-term Debt

Long-term debt at June 30, 2012 and 2011, is summarized as follows:

	<u>2012</u>	<u>2011</u>
Revenue Bonds, Series 2012	\$ 26,790,000	\$ -
Revenue Bonds, Series 2005	11,700,000	12,000,000
Revenue Bonds, Series 1998	-	24,370,000
Revenue Bonds, Series 1998B	-	4,366,000
Gove School Property	7,750,000	8,750,000
 Unamortized Bond (Premium) Discount		
Revenue Bonds, Series 2012	(1,355,000)	-
Revenue Bonds, Series 1998	-	(375,000)
Revenue Bonds, Series 1998B	-	(50,000)
Capital Lease/Financing Arrangement	<u>2,762,000</u>	<u>5,440,000</u>
	47,647,000	54,501,000
 Less: Current Portion	<u>(1,745,000)</u>	<u>(4,293,000)</u>
	<u>\$ 45,902,000</u>	<u>\$ 50,208,000</u>

(a) Series 2012 Revenue Bonds

The Colorado Health Facilities Authority issued \$26,790,000 aggregate principal amount of its Refunding Revenue Bonds Series 2012 (the 2012 Bonds) dated March 1, 2012. The proceeds were used to refund the Series 1998 and Series 1998B Bonds. National Jewish recorded a loss on the early extinguishment of debt relative to the Series 1998 and Series 1998B Bonds of approximately \$1,175,000. The 2012 Bonds are subject to a mandatory sinking fund redemption beginning January 1, 2026. Final principal payments on the bonds are due in January 2027. Redemption amounts are as follows at June 30, 2012:

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

2012	\$ 1,195,000
2013	1,450,000
2014	1,505,000
2015	1,565,000
2016	1,640,000
Thereafter	<u>19,435,000</u>
	<u>\$ 26,790,000</u>

The 2012 Bonds bear interest at fixed rates varying from 3.00% to 5.00% and are secured by the rights to all future revenue derived from National Jewish's property, excluding revenue derived from donor-restricted property if such revenue is unavailable for debt service. The 2012 Bonds are subject to covenants that impose certain operating and financial restrictions on National Jewish. Management believes National Jewish was in compliance with all covenants for the years ended June 30, 2012 and 2011.

(b) Series 2005 Revenue Bonds

In January 2005, the Colorado Health Facilities Authority issued \$13,500,000 aggregate principal amount of its Series 2005 Revenue Bonds (the 2005 Bonds) dated January 20, 2005. Proceeds from the 2005 Bonds were used to finance the construction of a clinical and research building, as well as several renovation projects and equipment.

The 2005 Bonds require annual payments of varying amounts. These payments began on January 1, 2007. Final principal payments on the bonds are due in January 2035. Redemption amounts are as follows at June 30, 2012:

2013	\$ 300,000
2014	300,000
2015	400,000
2016	400,000
2017	400,000
Thereafter	<u>9,900,000</u>
	<u>\$ 11,700,000</u>

The 2005 Bonds bear a variable rate of interest based on the rate at which the bonds could be remarketed at their face value and are secured by the rights to all future revenue derived from National Jewish's property, excluding revenue derived from donor restricted property if such revenue is unavailable for debt service. The interest rate at June 30, 2012, was 2.3%. The 2005 Bonds are backed by an irrevocable transferable letter of credit, which will be automatically extended without amendment for an additional period of 12 months beginning on March 1, 2013. At June 30, 2012 and 2011, no borrowings were outstanding. The 2005 Bonds are subject to covenants, which impose certain operating and financial restrictions on National Jewish.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Management believes National Jewish was in compliance with all covenants for the years ended June 30, 2012 and 2011

(c) Series 1998 Revenue Bonds

The Series 1998 Bonds were refunded and legally defeased on March 20, 2012, in conjunction with the issuance of the Series 2012 Bonds

(d) Series 1998B Revenue Bonds

The Series 1998B Bonds were refunded and legally defeased on March 20, 2012, in conjunction with the issuance of the Series 2012 Bonds

The fair value of National Jewish's bond issues is determined by quoted market rates. The estimated fair values of National Jewish's financial instruments are summarized as follows:

	<u>2012</u>		<u>2011</u>	
	<u>Carrying Value</u>	<u>Estimated Fair Value</u>	<u>Carrying Value</u>	<u>Estimated Fair Value</u>
Revenue Bonds, Series 2012	\$ 25,435,000	\$ 29,090,000	\$ -	\$ -
Revenue Bonds, Series 2005	11,700,000	11,170,000	12,000,000	12,000,000
Revenue Bonds, Series 1998	-	-	23,995,000	25,061,000
Revenue Bonds, Series 1998B	-	-	4,316,000	4,351,000

(e) Capital Lease

In March 2008, National Jewish entered into a capital lease receiving proceeds of \$13,000,000. The proceeds were used to purchase new radiology equipment for the Institute for Biomedical Imaging™ and other strategic capital assets. Once equipment was acquired, the financing converted to a capital lease. Including interest earnings as of June 30, 2012, \$13,044,000 has been used to acquire equipment and software. Included in the equipment and software in the accompanying financial statements are assets under capital leases, as follows:

	<u>2012</u>	<u>2011</u>
Classes of assets		
Equipment and software	\$ 13,062,000	\$ 13,062,000
Less accumulated depreciation	<u>(9,672,000)</u>	<u>(7,357,000)</u>
	<u>\$ 3,390,000</u>	<u>\$ 5,705,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2012, are as follows

2013	\$ 2,826,000
Less amount representing interest	<u>(64,000)</u>
Present value of future minimum lease payments	<u><u>\$ 2,762,000</u></u>

Assets held by trustees represent funds designated by the bond indenture to pay principal and interest on the 2012 and 2005 bonds and funds held from the Capital Escrow equipment fund for the purchase of equipment and software. The composition of these funds stated at contractual value, which approximates fair value, at June 30, 2012 and 2011, is as follows

	<u>2012</u>
	Cash and Cash Equivalents
2012 Bonds	
Bond Reserve Fund	\$ 2,705,000
Bond Interest/Principal Fund	<u>383,000</u>
	<u><u>\$ 3,088,000</u></u>
2005 Bonds	
Bond Reserve Fund	\$ 783,000
Bond Interest/Principal Fund	<u>-</u>
	<u><u>\$ 783,000</u></u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

	2011		
	Cash and Cash Equivalents	Investment Contracts	Total
1998 Bonds			
Bond Reserve Fund	\$ -	\$ 2,225,000	\$ 2,225,000
Bond Interest/Principal Fund	1,176,000	-	1,176,000
	\$ 1,176,000	\$ 2,225,000	\$ 3,401,000
1998B Bonds			
Bond Reserve Fund	\$ 387,000	\$ -	\$ 387,000
Bond Interest/Principal Fund	192,000	-	192,000
	\$ 579,000	\$ -	\$ 579,000
2005 Bonds			
Bond Reserve Fund	\$ 783,000	\$ -	\$ 783,000
Bond Interest/Principal Fund	-	-	-
	\$ 783,000	\$ -	\$ 783,000

(f) Gove Middle School Property Promissory Note

In February 2011, National Jewish entered into a contract with School District No. 1, in the City and County of Denver and State of Colorado (DPS) to purchase the closed Gove Middle School property for \$9,000,000. The property is located adjacent to National Jewish's main campus. The purchase of the property was final on November 16, 2011. This property will be used for furthering National Jewish's clinical, research and educational missions. Principal payments as of June 30, 2012, are as follows:

2013	\$ 250,000
2014	250,000
2015	500,000
2016	500,000
2017	6,250,000
	\$ 7,750,000

DPS issued a non-recourse promissory note in the amount of \$8,750,000 which bears interest at a fixed rate of 4%. Interest only payments are due in August, November, February, and May of each year the note is outstanding. A final payment of the remaining principal outstanding is due in a balloon payment on May 23, 2017. The note is collateralized by the land and building.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(13) Line of Credit

National Jewish has a \$15,000,000 unsecured revolving bank line of credit expiring on February 1, 2014. At June 30, 2012 and 2011, there was \$7,055,000 and \$0, respectively, borrowed against this line. Interest accrues at the greater of the prime rate less 1%, 30, 60, or 90 day LIBOR rate plus 175 basis points, or 2.75%. National Jewish's borrowing interest rate was 2.75% and 3.25% on June 30, 2012 and 2011, respectively.

(14) Commitments and Contingencies

(a) Operating Leases

National Jewish leases certain facilities and equipment under operating leases. The leases expire in various years through 2018. These leases generally require National Jewish to pay all executory costs (property taxes, maintenance and insurance). Future minimum rental payments as of June 30, 2012, that have initial or remaining non-cancelable lease terms equal to or greater than one year are as follows:

2013	\$ 1,281,000
2014	1,002,000
2015	903,000
2016	849,000
2017	841,000
2018	<u>410,000</u>
Total future minimum lease payments	<u>\$ 5,286,000</u>

Rental expense for operating leases was approximately \$1,788,000 and \$1,145,000 for the years ended June 30, 2012 and 2011, respectively.

(b) Professional Liability

Reserves for professional liability claims were \$2,656,000 and \$687,000 at June 30, 2012 and 2011, respectively. The professional liability claims for fiscal year 2012 are stated at gross, without regard for expected insurance recoveries. As a result, NJH recorded an additional \$1,972,000 of professional liability reserves and an equal amount of insurance coverage receivables. Fiscal year 2011 is stated net of these recoveries. The change in accounting principle is detailed below.

The current portion of the above reserves, \$127,000 and \$0 at June 30, 2012 and 2011, respectively, is included in other accrued expenses in the accompanying consolidated balance sheets. The provision for losses related to professional liability risks is presented net of expected insurance recoveries in the consolidated statements of operations and was \$206,000 and \$411,000 for 2012 and 2011, respectively.

Professional liability reserve estimates represent the estimated ultimate cost of all reported and unreported losses incurred through the respective consolidated balance sheet dates. The reserve for

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

unpaid losses and loss expenses are estimated using individual case-basis valuations and actuarial analyses. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed and adjustments are recorded as experience develops or new information becomes known. The time period required to resolve these claims can vary depending upon whether the claim is settled or litigated. The estimation of the timing of payments beyond a year can vary significantly. Although considerable variability is inherent in professional liability reserve estimates, we believe the reserves for losses and loss expenses are adequate based on information currently known. It is reasonably possible that this estimate could change materially in the near term.

In 2012, National Jewish adopted the provisions of Accounting Standards Update (ASU) 2010-24, Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries. This ASU eliminates the practice of netting claim liabilities with expected related insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without regard for recoveries and presented gross. Expected recoveries are presented separately. ASU 2010-24 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. There was no impact to National Jewish's results of operations or cash flows for the year ended June 30, 2012, as a result of the adoption of this guidance.

(c) Other

National Jewish has certain pending litigation and claims incurred in the ordinary course of business, however, management believes, based on the advice of legal counsel, that the probable resolution of such contingencies will not materially affect the financial position or operations of National Jewish.

National Jewish maintains professional and general liability coverage through a claims-made policy with COPIC Insurance. The policy's liability is \$1,000,000 per medical incident and \$3,000,000 in the aggregate, with deductibles of \$100,000 per medical incident/occurrence and \$300,000 in the aggregate. In addition, umbrella coverage is provided to National Jewish through a claims-made policy with COPIC Insurance. The liability limit under the umbrella policy is \$40,000,000 combined medical incident and in aggregate.

(d) Risks and Uncertainties

National Jewish invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the investment amounts reported in the statements of financial position.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

(15) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	<u>2012</u>	<u>2011</u>
Net assets reserved for future unrestricted uses	\$ 3,732,000	\$ 4,089,000
Restricted for research, education, patient care, and capital construction	10,473,000	7,799,000
Endowed assets not yet appropriated for expenditure	12,923,000	13,496,000
Unitrust agreements	4,482,000	4,980,000
Pooled income	<u>2,345,000</u>	<u>2,367,000</u>
	<u>\$ 33,955,000</u>	<u>\$ 32,731,000</u>

Net assets reserved for future unrestricted uses represent contributions not yet received by National Jewish. Endowed assets not yet appropriated for expenditure represent earnings on permanently endowed funds that have not been appropriated for expenditure by National Jewish in a manner consistent with the standard of prudence prescribed by SPMIFA. See Note 17 for further discussion.

(16) Permanently Restricted Net Assets

Permanently restricted net assets consist of the following

	<u>2012</u>	<u>2011</u>
Beneficial interest in perpetual trust agreement	\$ 10,497,000	\$ 10,156,000
Permanent endowments	<u>32,466,000</u>	<u>30,829,000</u>
Total	<u>\$ 42,963,000</u>	<u>\$ 40,985,000</u>

National Jewish is an income beneficiary of several perpetual trusts controlled by unrelated third-party trustees. The trust document or the trustees' policies govern the investment and distribution of trust assets. Trust income distributed to National Jewish for the years ended June 30, 2012 and 2011, was \$359,000 and \$425,000, respectively.

(17) Endowment

National Jewish's endowment consists of approximately 74 individual, donor-restricted funds established as endowments and intended for a variety of purposes. The board of directors has interpreted the State of Colorado Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, National

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Jewish classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. The organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

(a) Investment Policy

National Jewish has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment while balancing fund growth. Under this policy, approved by the board of directors, the assets are invested in a manner that is intended to produce results that exceed CPI plus 5% per year as measured over a rolling 36-month period. To satisfy this long-term rate of return objective, National Jewish relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. National Jewish targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

(b) Spending Policy

National Jewish's spending policy varies by the purpose of the endowment and was established by the board of directors after considering all seven factors outlined by SPMIFA above. Funds with donor specific purposes have a spending policy of between 3% and 4% of the market value of the fund averaged over the past 12 fiscal quarters preceding the fiscal year in which the distribution is made.

(c) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires National Jewish to retain as an endowment. There were no such deficiencies as of June 30, 2012.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

The composition of net assets by type of endowment fund at June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 15,019,000	\$ 32,466,000	\$ 47,485,000
Board-designated endowment funds	11,561,000	-	-	11,561,000
Total Funds	\$ 11,561,000	\$ 15,019,000	\$ 32,466,000	\$ 59,046,000

Changes in endowment net assets for fiscal year ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 11,589,000	\$ 15,616,000	\$ 30,829,000	\$ 58,034,000
Contributions	-	-	1,637,000	1,637,000
Endowment transfer	55,000	(376,000)	-	(321,000)
Investment income	427,000	795,000	-	1,222,000
Net assets released from restriction	-	(61,000)	-	(61,000)
Gain on sale of investments	30,000	999,000	-	1,029,000
Unrealized (loss)/gain on sale of investments	(540,000)	(1,954,000)	-	(2,494,000)
Endowment net assets, end of year	\$ 11,561,000	\$ 15,019,000	\$ 32,466,000	\$ 59,046,000

The composition of net assets by type of endowment fund at June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 15,616,000	\$ 30,829,000	\$ 46,445,000
Board-designated funds	11,589,000	-	-	11,589,000
Total Funds	\$ 11,589,000	\$ 15,616,000	\$ 30,829,000	\$ 58,034,000

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Changes in endowment net assets for fiscal year ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 9,514,000	\$ 8,446,000	\$ 29,266,000	\$ 47,226,000
Contributions and other increases	-	-	1,563,000	1,563,000
Transfer to create board-designated endowment fund	62,000 238,000	(481,000) 698,000	-	(419,000) 936,000
Investment income	-	(114,000)	-	(114,000)
Net assets released from restriction	142,000	159,000	-	301,000
Gain on sale of investments	1,568,000	6,973,000	-	8,541,000
Unrealized (loss) gain on investments	65,000	(65,000)	-	-
Endowment net assets, end of year	<u>\$ 11,589,000</u>	<u>\$ 15,616,000</u>	<u>\$ 30,829,000</u>	<u>\$ 58,034,000</u>

(18) Fair Value Disclosure

National Jewish values investments in accordance with Accounting Standards Codification 820, Fair Value Measurements and Disclosures (ASC 820) ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value The standard describes three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

The following table represents the fair value measurement of assets recognized in the accompanying balance sheet measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall at June 30, 2012 and 2011

Description	June 30, 2012	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments				
Common stocks and equity funds	\$ 10,000	\$ 10,000	\$ -	\$ -
Bonds and notes	15,000	15,000	-	-
Total short-term investments	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Internally designated assets				
Common stocks and equity funds	9,341,000	9,341,000	-	-
International securities and equities	8,319,000	8,319,000	-	-
Fixed income securities	19,271,000	19,271,000	-	-
U S Government and agency securities	949,000	949,000	-	-
Alternative investments	2,258,000	-	2,258,000	-
Total internally designated assets	<u>40,138,000</u>	<u>37,880,000</u>	<u>2,258,000</u>	<u>-</u>
Assets reserved for gift annuities				
Fixed-income securities	6,806,000	6,806,000	-	-
Convertible securities and equities	2,467,000	2,467,000	-	-
Total assets reserved for gift annuities	<u>9,273,000</u>	<u>9,273,000</u>	<u>-</u>	<u>-</u>
Long-term investments				
Convertible securities and equities	20,016,000	20,016,000	-	-
International securities and equities	18,411,000	18,411,000	-	-
Fixed income securities	8,538,000	8,538,000	-	-
U S Government and agency securities	1,689,000	1,689,000	-	-
Alternative investments	4,714,000	-	4,714,000	-
Pooled income funds	703,000	703,000	-	-
Total long-term investments	<u>54,071,000</u>	<u>49,357,000</u>	<u>4,714,000</u>	<u>-</u>
Other				
Bonds and notes	381,000	304,000	77,000	-
Total other	<u>381,000</u>	<u>304,000</u>	<u>77,000</u>	<u>-</u>
Total assets above	<u>103,888,000</u>	<u>96,839,000</u>	<u>7,049,000</u>	<u>-</u>
Cash and cash equivalents not included above	<u>2,979,000</u>			
Total	<u>\$ 106,867,000</u>			

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Description	June 30, 2011	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments				
Common stocks and equity funds	\$ 5,000	\$ 5,000	\$ -	\$ -
Bonds and notes	16,000	16,000	-	-
Total short-term investments	21,000	21,000	-	-
Internally designated assets				
Common stocks and equity funds	10,103,000	10,103,000	-	-
International securities and equities	7,519,000	7,519,000	-	-
Fixed income securities	21,650,000	21,650,000	-	-
U S Government and agency securities	1,598,000	1,598,000	-	-
Alternative investments	678,000	-	678,000	-
Total internally designated assets	41,548,000	40,870,000	678,000	-
Assets reserved for gift annuities				
Fixed-income securities	8,600,000	8,600,000	-	-
Convertible securities and equities	1,455,000	1,455,000	-	-
Total assets reserved for gift annuities	10,055,000	10,055,000	-	-
Long-term investments				
Convertible securities and equities	18,112,000	18,112,000	-	-
International securities and equities	15,990,000	15,990,000	-	-
Fixed income securities	9,074,000	9,074,000	-	-
U S Government and agency securities	3,011,000	3,011,000	-	-
Alternative investments	3,294,000	-	3,294,000	-
Pooled income funds	709,000	709,000	-	-
Total long-term investments	50,190,000	46,896,000	3,294,000	-
Other				
Bonds and notes	390,000	298,000	92,000	-
Total other	390,000	298,000	92,000	-
Total assets above	102,204,000	98,140,000	4,064,000	-
Cash and cash equivalents not included above	4,073,000			
Total	\$ 106,277,000			

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

The following table presents the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2012

Description	June 30, 2012	Fair Value Measurements during Reporting Year		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserv- able Inputs (Level 3)
Receivables related to				
Contributions and promises to give	\$ 1,615,000	\$ -	\$ 1,615,000	\$ -
Charitable remainder trusts	172,000	-	172,000	-
Gift annuities	<u>878,000</u>	-	878,000	-
Total	<u>\$ 2,665,000</u>			

(19) Employee Benefit Plans

National Jewish maintains a defined contribution plan (the Plan) covering substantially all full-time employees. Under the terms of the Plan, National Jewish contributes between 5% and 6% of an employee's covered wages up to the Social Security wage base and between 10% and 11% of covered wages in excess of the Social Security wage base. The Plan contains no provisions requiring National Jewish to match a portion of employee contributions. Expenses under the Plan for 2012 and 2011 approximated \$4,711,000 and \$4,401,000, respectively.

(20) Related-party Transactions

National Jewish from time to time in the normal course of business and within the guidelines of its conflict of interest policy, has entered into transactions with companies for which certain members of the companies' management also serve on the board of National Jewish. Management believes that prices paid by National Jewish have been equal to or less than the prices that would have been paid in transactions with parties not related to National Jewish.

Additional Data

Software ID: 11000129
Software Version: v1.00
EIN: 74-2044647
Name: NATIONAL JEWISH HEALTH

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses \$ 5,315,198 including grants of \$ 0) (Revenue \$ 2,659,052)

National Jewish emphasizes the education of health professionals and biomedical scientists. National Jewish is a teaching affiliate of the University of Colorado which is accredited by the Accreditation Council for Graduate Medical Education. National Jewish's Office of Professional Education creates continuing medical education (CME) programs that assist physicians and healthcare providers in changing their practice behaviors and further develop and enhance their clinical knowledge and skills to better treat their patients. To assist in educating the public about lung, allergic, and immunologic disorders, National Jewish created a toll-free call center, Lung Line[®], in 1983. In addition, National Jewish provides a free community outreach program designed to promote lung health and awareness in the community. The Center operates a free, accredited, K-8 school on campus, geared to the needs of children who have been educationally disadvantaged by long term illness. The Stanley Kunsberg School, founded in the early 1940s, provides an opportunity for 80 to 100 chronically ill children annually to benefit from studying with their peers.

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Sue Allon Member, BOD	2	X						0	0	0
Steve Arent Member, BOD	2	X						0	0	0
Jim Berenbaum Member, BOD	2	X						0	0	0
Paulette Brody Member, BOD	2	X						0	0	0
Norman Brownstein Member, BOD	2	X						0	0	0
Robin Chotin Vice Chair and Secretary, BOD	2	X		X				0	0	0
Geraldine Cohen Member, BOD	2	X						0	0	0
Joseph S Davis Lifetime Member, BOD	2	X						0	0	0
Stanton Dodge Member, BOD	2	X						0	0	0
David Engleberg Member, BOD	2	X						0	0	0
Joel Farkas Member, BOD	2	X						0	0	0
Michael Feiner Member, BOD	2	X						0	0	0
Barbara Gallagher Member, BOD	2	X						0	0	0
Tom Gart Member, BOD	2	X						0	0	0
Lawrence Gelfond Member, BOD	2	X						0	0	0
Roger Gibson Member, BOD	2	X						0	0	0
Jerry Glauser Member, BOD	2	X						0	0	0
William Gold Lifetime Member, BOD	2	X						0	0	0
William Gold III Member, BOD	2	X						0	0	0
Staunton Golding Member, BOD	2	X						0	0	0
A Barry Hirschfeld Member, BOD	2	X						0	0	0
Christine Isenberg Member, BOD	2	X						0	0	0
Philip H Karsh Lifetime Member, BOD	2	X						0	0	0
Mariner Kemper Member, BOD	2	X						0	0	0
Lewis Kling Member, BOD	2	X						0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Steven Kris Member, BOD	2	X						0	0	0
Jim Kuhn Member, BOD	2	X						0	0	0
Bradley Levin Member, BOD	2	X						0	0	0
Evelyn Makovsky Member, BOD	2	X						0	0	0
Marvin Moskowitz Member, BOD	2	X						0	0	0
Zachery Pashel Member, BOD	2	X						0	0	0
Marcus Peperzak Member, BOD	2	X						0	0	0
Leonard M Perlmutter Lifetime Member, BOD	2	X						0	0	0
Blair Richardson Member, BOD	2	X						0	0	0
Eddie A Robinson Lifetime Member, BOD	2	X						0	0	0
Hassan Salem Member, BOD	2	X						0	0	0
Meyer M Saltzman Member, BOD	2	X						0	0	0
Richard Schierburg Chair, BOD	2	X		X				0	0	0
Michael K Schonbrun Member, BOD	2	X						0	0	0
Carole Schwartz Member, BOD	2	X						0	0	0
Martin Semple Member, BOD	2	X						0	0	0
Donald Silversmith Vice Chair, BOD	2	X		X				0	0	0
Larry Silverstein Treasurer, National Council Trustees	2	X		X				0	0	0
Marc D Steron Member, BOD	2	X						0	0	0
Burton Tansky Member, BOD	2	X						0	0	0
Debra Tuchman Member, BOD	2	X						0	0	0
Evan H Zucker Vice Chair, BOD	2	X						0	0	0
Michael Salem MD President and CEO	50			X				1,026,542	0	27,184
Christine K Forkner EVP and CFO, Ass't Secretary	50			X				383,672	0	32,763
Richard Martin MD Chairman, Department of Medicine	50				X			485,975	0	29,968

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Erwin Gelfand MD Chairman, Department of Pediatrics	50				X			447,031	0	29,978
David Tinkelman MD VP Health Initiatives	50				X			363,353	0	29,986
Greg Downey MD EVP Academic Affairs	50				X			506,421	0	29,968
Ron Berge EVP and COO	50				X			392,709	0	29,463
Lisa Tadir VP Development	50				X			144,387	0	21,710
Carol Gibson VP, Development	50				X			324,953	0	21,812
Jeffrey A Kern Sr MD/Faculty Member	50					X		344,210	0	6,132
David Lynch MD Sr MD/Faculty Member/Radiologist	50					X		341,491	0	21,916
Debra Dyer MD Sr MD/Faculty Member/Radiologist	50					X		339,841	0	32,884
Valerie Hale MD Sr MD/Faculty Member/Radiologist	50					X		335,413	0	27,184
Joyce D Schroeder Sr MD/Faculty Member/Radiologist	50					X		319,344	0	31,438