

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.
 ▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047
2013
Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013, 2013, and ending 06-30-2014

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> 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 province, country, and ZIP or foreign postal code DENVER, CO 80206 F Name and address of principal officer Christine Forkner 1400 Jackson Street Denver, CO 80206	D Employer identification number 74-2044647 E Telephone number (303) 388-4461 G Gross receipts \$ 259,853,869
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
J Website: ▶ www.nationaljewish.org		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> 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 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 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)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">3</td> <td style="text-align: right;">44</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: right;">44</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: right;">1,981</td> </tr> <tr> <td style="text-align: center;">6</td> <td style="text-align: right;">177</td> </tr> <tr> <td style="text-align: center;">7a</td> <td style="text-align: right;">1,487,991</td> </tr> <tr> <td style="text-align: center;">7b</td> <td style="text-align: right;">822,961</td> </tr> </table>	3	44	4	44	5	1,981	6	177	7a	1,487,991	7b	822,961												
3	44																									
4	44																									
5	1,981																									
6	177																									
7a	1,487,991																									
7b	822,961																									
	4 Number of independent voting members of the governing body (Part VI, line 1b)	44																								
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	1,981																								
	6 Total number of volunteers (estimate if necessary)	177																								
	7a Total unrelated business revenue from Part VIII, column (C), line 12	1,487,991																								
	b Net unrelated business taxable income from Form 990-T, line 34	822,961																								
Revenue		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Prior Year</th> <th style="width: 20%; text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">80,362,061</td> <td style="text-align: right;">80,225,767</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">125,133,247</td> <td style="text-align: right;">134,343,097</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">8,824,947</td> <td style="text-align: right;">11,849,095</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">-431,794</td> <td style="text-align: right;">-692,003</td> </tr> <tr> <td>12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">213,888,461</td> <td style="text-align: right;">225,725,956</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	80,362,061	80,225,767	9 Program service revenue (Part VIII, line 2g)	125,133,247	134,343,097	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,824,947	11,849,095	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-431,794	-692,003	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	213,888,461	225,725,956						
	Prior Year	Current Year																								
8 Contributions and grants (Part VIII, line 1h)	80,362,061	80,225,767																								
9 Program service revenue (Part VIII, line 2g)	125,133,247	134,343,097																								
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,824,947	11,849,095																								
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-431,794	-692,003																								
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	213,888,461	225,725,956																								
Expenses		<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td> <td style="width: 20%; text-align: right;">0</td> <td style="width: 20%; text-align: right;">0</td> </tr> <tr> <td>14 Benefits paid to or for members (Part IX, column (A), line 4)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td> <td style="text-align: right;">131,248,924</td> <td style="text-align: right;">132,017,421</td> </tr> <tr> <td>16a Professional fundraising fees (Part IX, column (A), line 11e)</td> <td style="text-align: right;">196,283</td> <td style="text-align: right;">332,614</td> </tr> <tr> <td>b Total fundraising expenses (Part IX, column (D), line 25) ▶ 7,585,213</td> <td></td> <td></td> </tr> <tr> <td>17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td> <td style="text-align: right;">78,336,663</td> <td style="text-align: right;">87,443,357</td> </tr> <tr> <td>18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td> <td style="text-align: right;">209,781,870</td> <td style="text-align: right;">219,793,392</td> </tr> <tr> <td>19 Revenue less expenses Subtract line 18 from line 12</td> <td style="text-align: right;">4,106,591</td> <td style="text-align: right;">5,932,564</td> </tr> </tbody> </table>	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)	131,248,924	132,017,421	16a Professional fundraising fees (Part IX, column (A), line 11e)	196,283	332,614	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 7,585,213			17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	78,336,663	87,443,357	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	209,781,870	219,793,392	19 Revenue less expenses Subtract line 18 from line 12	4,106,591	5,932,564
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)	131,248,924	132,017,421																								
16a Professional fundraising fees (Part IX, column (A), line 11e)	196,283	332,614																								
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 7,585,213																										
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	78,336,663	87,443,357																								
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	209,781,870	219,793,392																								
19 Revenue less expenses Subtract line 18 from line 12	4,106,591	5,932,564																								
Net Assets or Fund Balances		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Beginning of Current Year</th> <th style="width: 20%; text-align: center;">End of Year</th> </tr> </thead> <tbody> <tr> <td>20 Total assets (Part X, line 16)</td> <td style="text-align: right;">275,571,000</td> <td style="text-align: right;">280,920,000</td> </tr> <tr> <td>21 Total liabilities (Part X, line 26)</td> <td style="text-align: right;">99,263,000</td> <td style="text-align: right;">93,010,000</td> </tr> <tr> <td>22 Net assets or fund balances Subtract line 21 from line 20</td> <td style="text-align: right;">176,308,000</td> <td style="text-align: right;">187,910,000</td> </tr> </tbody> </table>		Beginning of Current Year	End of Year	20 Total assets (Part X, line 16)	275,571,000	280,920,000	21 Total liabilities (Part X, line 26)	99,263,000	93,010,000	22 Net assets or fund balances Subtract line 21 from line 20	176,308,000	187,910,000												
	Beginning of Current Year	End of Year																								
20 Total assets (Part X, line 16)	275,571,000	280,920,000																								
21 Total liabilities (Part X, line 26)	99,263,000	93,010,000																								
22 Net assets or fund balances Subtract line 21 from line 20	176,308,000	187,910,000																								

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.

Signature of officer Christine Forkner Chief Financial Officer Type or print name and title	2015-05-01 Date
---	--------------------

Paid Preparer Use Only	Prnt/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			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 or note to any line in this Part III Yes No**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 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 \$ 61,303,774 including grants of \$ 31,427,760) (Revenue \$ 46,306,342)

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 from private and governmental agencies which include the National Institutes of Health (NIH), the Department of Defense (DOD), and the Howard Hughes Medical Institute (HHMI), and charitable contributions.

4b (Code) (Expenses \$ 106,262,097 including grants of \$ 0) (Revenue \$ 117,619,000)

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, critical care and hospital medicine, otolaryngology, sleep medicine, oncology, nephrology, cystic fibrosis, pharmacokinetics and infectious disease. In the fiscal year ended June 30, 2014, National Jewish had over 85,279 outpatient physician visits and an average day program census of 16.09 days. Our physicians had 8,642 encounters with patients through providing critical care and consult services in hospitals throughout the city. 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 \$ 6,666,465 including grants of \$ 0) (Revenue \$ 8,200,000)

From its beginnings in 1899, National Jewish Health physicians and scientists have focused on treatment and prevention of the leading public health issues of the day. Health Initiatives programs continue our heritage by addressing the top two causes of preventable illness and death today - obesity and smoking. In the US, one in three people are obese, one in three people are overweight, and one in five people use tobacco. Effective treatment of obesity and smoking requires permanent changes to unhealthy behavior patterns. National Jewish has been a leader in guiding healthy behavior change since the mid-1990s when we launched one of the first disease management programs. Each year, we help tens of thousands of people across the nation improve their health through our FitLogix(R) weight management and QuitLogix(R) tobacco cessation programs. Our programs are based on evidence-based guidelines and clinically-proven interventions for behavior modification. QuitLogix(R) combines personal coaching with nicotine replacement therapy to achieve one of the highest quit smoking rates in the country. Since 2002, QuitLogix has assisted over 950,000 people across the country with their quit attempts. FitLogix(R) helps individuals change their diet and exercise habits through behavior modification in order to lose weight and improve overall health. Our weight loss results are sustainable and exceed national standards for outcomes. Since 2008, we have helped over 10,000 individuals and achieved weight loss outcomes that met or exceeded national standards.

(Code) (Expenses \$ 11,384,906 including grants of \$ 0) (Revenue \$ 2,557,219)

National Jewish Health 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(R), in 1983. In addition, National Jewish provides a free community outreach program designed to promote lung health and awareness in the community. National Jewish 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 Morgridge Academy, 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 \$ 11,384,906 including grants of \$ 0) (Revenue \$ 2,557,219)

4e Total program service expenses 185,617,242

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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <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 and XII</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 and XII 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, Parts I and IV</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts 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 other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts 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 (see instructions)</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 hospital facilities? <i>If "Yes," complete Schedule H</i> <input checked="" type="checkbox"/>	Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? <input checked="" type="checkbox"/>	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
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 direct or indirect 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, Part II, III, or IV, and Part V, line 1</i>	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
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 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (44); 1b Enter the number of voting members included in line 1a, above, who are independent (44); 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: a The governing body? (Yes); b 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.)

Table with 3 columns: Question, Yes, No. Rows include: 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 this 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? a The organization's CEO, Executive Director, or top management official (Yes); b 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? (Yes); 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? (Yes).

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 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: [X] Own website [] Another's website [X] Upon request [] Other (explain in Schedule O); 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year; 20 State the name, 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 or note to any line in this Part VII

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, 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 organization compensated any current officer, director, or trustee

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

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

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position (Individual trustee or director, Institutional Trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

Summary rows: 1b Sub-Total, 1c Total from continuation sheets to Part VII, Section A, 1d Total (add lines 1b and 1c). Values: 5,055,446, 0, 392,196.

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 209

Questions 3, 4, 5 regarding compensation reporting. Columns: Question, Yes, No. Question 3: Did the organization list any former officer... Question 4: For any individual listed... Question 5: Did any person listed... Answer for 3: No. Answer for 4: Yes. Answer for 5: No.

Section B. Independent Contractors

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

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Rows include Hogan Lovells US LLP, University of Colorado Anschutz Medical Center, Dimassimo, University Physicians Inc, and Oncology Convergence Inc.

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 39

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514			
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a	33,669						
	b	Membership dues 1b	0						
	c	Fundraising events 1c	6,247,767						
	d	Related organizations 1d	0						
	e	Government grants (contributions) 1e	39,525,000						
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	34,419,331						
	g	Noncash contributions included in lines 1a-1f \$	799,627						
	h	Total. Add lines 1a-1f		80,225,767					
Program Service Revenue			Business Code						
	2a	Patient Revenue	622310	117,619,000	116,186,561	1,432,439	0		
	b	Health Initiatives Revenue	900099	8,200,000	8,196,611	3,389	0		
	c	Miscellaneous Program Service Revenue	900099	6,596,097	6,543,934	52,163	0		
	d	Educational and Training Service	900099	1,928,000	1,928,000	0	0		
	e								
	f	All other program service revenue		0	0	0	0		
	g	Total. Add lines 2a-2f		134,343,097					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		6,292,392	0	0	6,292,392		
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0		
	5	Royalties		11,797	0	0	11,797		
	6a	Gross rents	(i) Real	0					
			(ii) Personal	0					
			b	Less rental expenses	0				
			c	Rental income or (loss)	0				
	d	Net rental income or (loss)		0	0	0	0		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	36,585,204					
			(ii) Other	6,066					
			b	Less cost or other basis and sales expenses	30,927,505				
			c	Gain or (loss)	5,657,699				
	d	Net gain or (loss)		5,556,703	0	0	5,556,703		
	8a	Gross income from fundraising events (not including \$ 6,247,767 of contributions reported on line 1c) See Part IV, line 18							
	a		795,440						
b	Less direct expenses b	3,093,346							
c	Net income or (loss) from fundraising events		-2,297,906	0	0	-2,297,906			
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	820,680	0	0	820,680			
b	Cafeteria	722100	639,369	0	0	639,369			
c	Gift Shop	453220	134,057	0	0	134,057			
d	All other revenue		0	0	0	0			
e	Total. Add lines 11a-11d		1,594,106						
12	Total revenue. See Instructions		225,725,956	132,855,106	1,487,991	11,157,092			

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	4,151,649	1,915,864	1,685,542	550,243
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	105,228,275	90,993,132	11,396,648	2,838,495
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,043,673	4,374,641	527,765	141,267
9	Other employee benefits.	10,439,951	8,857,432	1,216,175	366,344
10	Payroll taxes.	7,153,873	6,038,419	857,160	258,294
11	Fees for services (non-employees)				
a	Management.				
b	Legal.	1,597,968	1,571,196	3,079	23,693
c	Accounting.	124,700	0	124,700	0
d	Lobbying.	188,245		188,245	
e	Professional fundraising services. See Part IV, line 17.	332,614			332,614
f	Investment management fees.	391,951		391,951	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	11,719,241	7,878,507	3,296,147	544,587
12	Advertising and promotion.	2,177,936	245,839	1,904,435	27,662
13	Office expenses.	8,333,587	6,150,594	878,805	1,304,188
14	Information technology.	2,232,373	804,270	1,427,537	566
15	Royalties.				
16	Occupancy.	6,614,913	5,501,840	489,065	624,008
17	Travel.	1,091,033	755,462	141,807	193,764
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	508,263	443,765	40,537	23,961
20	Interest.	1,961,278	1,655,469	234,996	70,813
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	9,370,636	8,559,528	785,444	25,664
23	Insurance.	715,366	172,761	535,215	7,390
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	Recruitment.	269,543	3,112	266,399	32
b	Collaborative Agreements.	10,122,852	10,122,852	0	0
c	Research Subject Fees & Patient Research.	1,225,234	1,225,229	0	5
d	Medical Supplies.	22,801,605	22,665,964	133,338	2,303
e	All other expenses.	5,996,633	5,681,366	65,947	249,320
25	Total functional expenses. Add lines 1 through 24e.	219,793,392	185,617,242	26,590,937	7,585,213
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	1,197,000	1	1,740,000
	2 Savings and temporary cash investments	5,452,000	2	2,214,000
	3 Pledges and grants receivable, net	19,719,000	3	29,812,000
	4 Accounts receivable, net	16,392,000	4	19,675,000
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	1,355,000	8	1,792,000
	9 Prepaid expenses and deferred charges	2,193,000	9	1,970,000
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 217,867,000		
	b Less accumulated depreciation	10b 125,370,000	97,082,000	10c 92,497,000
	11 Investments—publicly traded securities	109,547,000	11	107,180,000
	12 Investments—other securities See Part IV, line 11	11,811,000	12	13,322,000
	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	9,923,000	15	9,818,000
16 Total assets. Add lines 1 through 15 (must equal line 34)	275,571,000	16	280,920,000	
Liabilities	17 Accounts payable and accrued expenses	31,338,000	17	26,748,000
	18 Grants payable	0	18	0
	19 Deferred revenue	3,923,000	19	4,760,000
	20 Tax-exempt bond liabilities	38,255,000	20	36,414,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	12,025,000	23	10,599,000
	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	13,722,000	25	14,489,000
	26 Total liabilities. Add lines 17 through 25	99,263,000	26	93,010,000
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	88,992,000	27	83,078,000
	28 Temporarily restricted net assets	43,438,000	28	59,281,000
	29 Permanently restricted net assets	43,878,000	29	45,551,000
	Organizations that do not follow SFAS 117 (ASC 958), 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	176,308,000	33	187,910,000	
34 Total liabilities and net assets/fund balances	275,571,000	34	280,920,000	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	225,725,956
2	Total expenses (must equal Part IX, column (A), line 25)	2	219,793,392
3	Revenue less expenses Subtract line 2 from line 1	3	5,932,564
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	176,308,000
5	Net unrealized gains (losses) on investments	5	5,669,436
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	187,910,000

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

Additional Data

Software ID: 13000241
Software Version: v1.00
EIN: 74-2044647
Name: NATIONAL JEWISH HEALTH

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Sue Allon Member, BOD	2 0	X						0	0	0
Steve Arent Member, BOD	2 0	X						0	0	0
Richard Baer Member, BOD	2 0	X						0	0	0
Jim Berenbaum Member, BOD	2 0	X						0	0	0
Paulette Brody Member, BOD	2 0	X						0	0	0
Norman Brownstein Member, BOD	2 0	X						0	0	0
Robin Chotin Vice Chair and Secretary, BOD	2 0	X		X				0	0	0
Geraldine Cohen Member, BOD	2 0	X						0	0	0
Joseph S Davis Lifetime Member, BOD	2 0	X						0	0	0
Stanton Dodge Member, BOD	2 0	X						0	0	0
David Engleberg Member, BOD	2 0	X						0	0	0
Michael Feiner Member, BOD	2 0	X						0	0	0
Tom Gart Member, BOD	2 0	X						0	0	0
Lawrence Gelfond Member, BOD	2 0	X						0	0	0
Roger Gibson Member, BOD	2 0	X						0	0	0
Jerry Glauser Member, BOD	2 0	X						0	0	0
William Gold Lifetime Member, BOD	2 0	X						0	0	0
William Gold III Member, BOD	2 0	X						0	0	0
A Barry Hirschfeld Member, BOD	2 0	X						0	0	0
Christine Isenberg Member, BOD	2 0	X						0	0	0
Philip H Karsh Lifetime Member, BOD	2 0	X						0	0	0
Manner Kemper Member, BOD	2 0	X						0	0	0
Lewis Kling Member, BOD	2 0	X						0	0	0
Steven Kris Member, BOD	2 0	X						0	0	0
Jim Kuhn Member, BOD	2 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Bradley Levin Member, BOD	2 0	X						0	0	0
Evelyn Makovsky Member, BOD	2 0	X						0	0	0
Marvin Moskowitz Member, BOD	2 0	X						0	0	0
Leonard M Perlmutter Lifetime Member, BOD	2 0	X						0	0	0
Blair Richardson Member, BOD	2 0	X						0	0	0
Eddie A Robinson Lifetime Member, BOD	2 0	X						0	0	0
Hassan Salem Member, BOD	2 0	X						0	0	0
Meyer M Saltzman Member, BOD	2 0	X						0	0	0
Richard Schierburg Chair, BOD	2 0	X		X				0	0	0
Michael K Schonbrun Member, BOD	2 0	X						0	0	0
Carole Schwartz Member, BOD	2 0	X						0	0	0
Martin Semple Member, BOD	2 0	X						0	0	0
Steve Siegel Co-Chair, Council of National Trustees, BOD Member	2	X						0	0	0
Wendy Siegel Co-Chair, Council of National Trustees, BOD Member	2	X						0	0	0
Donald Silversmith Vice Chair, BOD	2 0	X		X				0	0	0
Larry Silverstein Treasurer, National Council Trustees	0	X		X				0	0	0
Marc D Steron Member, BOD	2 0	X						0	0	0
Burton Tansky Member, BOD	2 0	X						0	0	0
Debra Tuchman Member, BOD	2 0	X						0	0	0
Evan H Zucker Vice Chair, BOD	2 0	X						0	0	0
Michael Salem MD President and CEO	50 0			X				957,736	0	29,103
Christine K Forkner EVP and CFO, Ass't Secretary	50 0			X				391,825	0	35,595
Greg Downey MD EVP Academic Affairs	50 0				X			466,278	0	32,691
Richard Martin MD Chairman, Department of Medicine	50 0				X			485,722	0	32,691
Erwin Gelfand MD Chairman, Department of Pediatrics	50 0				X			410,334	0	35,491

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ron Berge	50				X			378,240	0	31,539
EVP and COO	0				X					
Lisa Tadin	50				X			296,458	0	36,051
VP Development	0									
Debra Dyer MD	50					X		337,759	0	36,051
Acting Chair, Radiology	0					X				
Valerie Hale MD	50					X		336,218	0	29,103
Sr MD/Faculty Member/Radiologist	0					X				
David Lynch MD	50					X		351,152	0	22,671
Sr MD/Faculty Member/Radiologist	0					X				
Joyce D Schroeder	50					X		328,970	0	35,745
Sr MD/Faculty Member/Radiologist	0					X				
Philip Hanna	50					X		314,754	0	35,465
Sr MD/ Faculty Member/Gastroenterology	0					X				

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

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

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

2013

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 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 - Non-functionally integrated
- 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 supported organization?

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

(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)

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

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2012 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶		

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

Facts And Circumstances Test

Return Reference

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

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

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

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

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

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

Table with 2 columns: Name of the organization (NATIONAL JEWISH HEALTH) and 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 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		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		184,767
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?		No	
j Total Add lines 1c through 1i			184,767
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 carry over lobbying and political expenditures from the prior year?	3	

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Schedule C, Part II-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

Part IV **Supplemental Information** *(continued)*

Return Reference	Explanation

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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 include Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year, and two questions about donor advised funds and grant purposes.

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

Form for Part II Conservation Easements. Includes checkboxes for various purposes (land for public use, natural habitat, open space, historic structure), a table for 'Held at the End of the Year' (rows 2a-2d), and several questions about monitoring, expenses, and reporting.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting works of art and historical treasures, and a table for reporting revenues and assets.

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

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

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

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

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

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

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

	Amount
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 XIII. Check here if the explanation has been provided in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	90,257,000	89,464,000	89,490,000	80,358,000	57,597,000
b Contributions	1,774,000	1,344,000	2,600,000	62,000	17,136,000
c Net investment earnings, gains, and losses	13,015,000	8,860,000	-395,000	13,283,000	5,951,000
d Grants or scholarships	0	0	0	0	0
e Other expenditures for facilities and programs	17,081,000	9,411,000	2,231,000	4,213,000	326,000
f Administrative expenses	0	0	0	0	0
g End of year balance	87,965,000	90,257,000	89,464,000	89,490,000	80,358,000

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

- a** Board designated or quasi-endowment 36.34 %
 - b** Permanent endowment 60.72 %
 - c** Temporarily restricted endowment 2.94 %
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	No

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? **3b**

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	13,086,000		13,086,000
b Buildings	0	119,259,000	61,568,000	57,691,000
c Leasehold improvements	0	0	0	0
d Equipment	0	85,106,000	63,701,000	21,405,000
e Other	0	416,000	101,000	315,000
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				92,497,000

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)		

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX Other Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15

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

Part X Other Liabilities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
Liability Under Annuity Contracts	11,864,000
Liability Under Unitrust Agreements	1,889,000
Estimated 3rd Party Payor Settlements	736,000
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	14,489,000

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

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

1	Total revenue, gains, and other support per audited financial statements		1	231,004,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2a	5,669,436	
b	Donated services and use of facilities	2b	0	
c	Recoveries of prior year grants	2c	0	
d	Other (Describe in Part XIII)	2d	0	
e	Add lines 2a through 2d			2e 5,669,436
3	Subtract line 2e from line 1			3 225,334,564
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	391,392	
b	Other (Describe in Part XIII)	4b	0	
c	Add lines 4a and 4b			4c 391,392
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)			5 225,725,956

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

1	Total expenses and losses per audited financial statements		1	219,402,000
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 XIII)	2d	0	
e	Add lines 2a through 2d			2e 0
3	Subtract line 2e from line 1			3 219,402,000
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	391,392	
b	Other (Describe in Part XIII)	4b	0	
c	Add lines 4a and 4b			4c 391,392
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)			5 219,793,392

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part 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

2013

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.

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

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. Form 990-EZ filers are not required to complete this part.

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

- a Mail solicitations
b Internet and email 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.

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

AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, IL, KS, KY, MA, MD, ME, MI, MN, MO, MS, NC, ND, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, 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 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		<u>Beaux Arts Ball</u> (event type)	<u>Real Estate and Constructions Industries Dinner</u> (event type)	<u>16</u> (total number)	(add col (a) through col (c))
Revenue	1 Gross receipts	1,896,993	2,440,780	2,705,434	7,043,207
	2 Less Contributions	1,770,243	2,202,530	2,274,994	6,247,767
	3 Gross income (line 1 minus line 2)	126,750	238,250	430,440	795,440
Direct Expenses	4 Cash prizes	0	0	0	0
	5 Noncash prizes	0	0	0	0
	6 Rent/facility costs	17,946	4,355	39,350	61,651
	7 Food and beverages	208,454	215,159	368,160	791,773
	8 Entertainment	206,618	107,967	87,170	401,755
	9 Other direct expenses	345,437	415,492	1,077,238	1,838,167
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
11 Net income summary Subtract line 10 from line 3, column (d) ▶					-2,297,906

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))
		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 Subtract line 7 from line 1, column (d) ▶					

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

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

b If "No," explain _____

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

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

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

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

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

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

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

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
Schedule G, Part I, Line 2b	National Jewish Health contracted with PEP Direct in Wilton, New Hampshire and MINDset direct in Arlington, VA to provide fundraising counsel for the direct mail program. A fee is charged for account strategy and production management services. For the fiscal year ending June 30, 2014, these fees totaled \$282,797. Other fundraising expenses are paid to or reimbursed to Pep Direct and MINDset for printing, postage, lettershop work, etc. based on the contract terms. These additional fundraising expenses totaled \$232,428 for the same period.

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2013

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions. Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number 74-2044647

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor... 3b Did the organization use FPG as a factor... 4 Did the organization's financial assistance policy... 5a Did the organization budget amounts... 5b If "Yes," did the organization's financial assistance expenses exceed... 5c If "Yes" to line 5b... 6a Did the organization prepare a community benefit report... 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance 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 Financial Assistance and Means-Tested Government Programs and Other Benefits.

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	Yes	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	14,058,999
6	Enter Medicare allowable costs of care relating to payments on line 5	22,393,463
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	-8,334,464
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?	Yes
9b	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	Yes

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

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

2

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

Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

Part V Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care ___%		No
11	Used FPG to determine eligibility for providing <i>discounted</i> 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	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
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 checked="" type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input 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 on 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)		

Billing and Collections		Yes	No
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input 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 Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	Yes	
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 Section C)		

Part V Facility Information *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** Notified individuals of the financial assistance policy on admission
 - b** Notified individuals of the financial assistance policy prior to discharge
 - c** Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
 - d** Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19	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?		No
If "No," indicate why			
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)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

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

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 4

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-Northern Hematology 9451 Huron Street Thornton, CO 80260	Oncology and Hematology clinic
4 National Jewish Health-Western Hematology 400 Indiana Street Suite 230 Golden, CO 80401	Oncology and Hematology clinic
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
Schedule H, Part I, Line 3c	National Jewish Health 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 indigence, insurance status, uninsured discount and state regulation when determining patient financial need.

Form and Line Reference	Explanation
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.

Form and Line Reference	Explanation
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.

Form and Line Reference	Explanation
Schedule H, Part III, Section B, Line 8	National Jewish Health is committed to providing speciality 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.

Form and Line Reference	Explanation
Schedule H, Part III, Section C, Line 9b	<p>National Jewish Health 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 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.</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2	<p>National Jewish Health 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, National Jewish 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>

Form and Line Reference	Explanation
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.

Form and Line Reference	Explanation
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.

Form and Line Reference	Explanation
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 115 years ago, when National Jewish was a free hospital for the care of indigent TB patients, National Jewish 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 with our 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 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 inner city asthma program in the Denver Public Schools, and Asthma Tool Kit program for the western slope and a free 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 was unanimously recognized by the Colorado House and Senate for our vital role in serving the health needs of Colorado citizens.</p>

Additional Data

Software ID: 13000241

Software Version: v1.00

EIN: 74-2044647

Name: NATIONAL JEWISH HEALTH

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 10-Group A	
Schedule H, Part V, Section B, Line 20-Group A	National Jewish Health 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 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 up to 30%.
Schedule H, Part V, Section B, Line 22-Group A National Jewish Health	Foreign patients and 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%. Exceptions are made for pediatric patients who cannot prove legal residency in the United States.

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2013

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, line 23.**

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

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

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.
- | | |
|--|--|
| <input checked="" type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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

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

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> 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 Regulations 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 duplicate copies if additional space is needed.

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I, Line 1a	Richard Martin traveled first class to Germany, Spain, India and France

Additional Data

Software ID: 13000241
Software Version: v1.00
EIN: 74-2044647
Name: NATIONAL JEWISH HEALTH

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ	
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation					
Michael Salem MD President and CEO	(i) (ii)	724,736 0	210,000 0	23,000 0	22,365 0	6,738 0	986,839 0	365,657 0
Greg Downey MD EVP Academic Affairs	(i) (ii)	333,149 0	95,625 0	37,504 0	22,365 0	10,326 0	498,969 0	185,326 0
Richard Martin MD Chairman, Department of Medicine	(i) (ii)	375,722 0	88,000 0	22,000 0	22,365 0	10,326 0	518,413 0	199,350 0
Erwin Gelfand MD Chairman, Department of Pediatrics	(i) (ii)	322,268 0	66,000 0	22,066 0	22,365 0	13,126 0	445,825 0	173,827 0
Ron Berge EVP and COO	(i) (ii)	258,362 0	79,378 0	40,500 0	22,365 0	9,174 0	409,779 0	149,431 0
Christine K Forkner EVP and CFO, Ass't Secretary	(i) (ii)	289,784 0	85,468 0	16,573 0	22,365 0	13,230 0	427,420 0	146,662 0
Lisa Tadin VP Development	(i) (ii)	221,458 0	57,500 0	17,500 0	22,365 0	13,686 0	332,509 0	119,479 0
Debra Dyer MD Acting Chair, Radiology	(i) (ii)	314,759 0	0 0	23,000 0	22,365 0	13,686 0	373,810 0	165,486 0
Valerie Hale MD Sr MD/Faculty Member/Radiologist	(i) (ii)	304,486 0	0 0	31,732 0	22,365 0	6,738 0	365,321 0	166,625 0
David Lynch MD Sr MD/Faculty Member/Radiologist	(i) (ii)	329,960 0	0 0	21,192 0	22,365 0	306 0	373,823 0	166,721 0
Joyce D Schroeder Sr MD/Faculty Member/Radiologist	(i) (ii)	305,970 0	0 0	23,000 0	22,365 0	13,380 0	364,715 0	158,077 0
Philip Hanna Sr MD/ Faculty Member/Gastroenterology	(i) (ii)	307,278 0	6,424 0	1,053 0	22,365 0	13,100 0	350,220 0	0 0

**Schedule K
(Form 990)**

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

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

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

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

2013

**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 legally 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 escrows	0	0		
7 Issuance costs from proceeds	225,000	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	25,004,945		
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 of bond-financed property?		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 53 %							
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 53 %							
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part II, Line 7-01/20/2005 13,500,000 Colorado Health Facilities Authority	In January 2002, 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 the 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.

Return Reference	Explanation
Schedule K, Part III, Line 4-01/20/2005 13,500,000 Colorado Health Facilities Authority	National Jewish Health's world renowned research staff periodically engages in clinical pharmaceutical studies sponsored by corporations. During the fiscal year ended June 30, 2013, there was some research that resulted in private business use for the property that was financed by the Series 2005 Revenue Bonds. The average percentage of the financed property that was used in private business use by a nongovernmental entity during the year was less than one percent (1%). None of the private business use is considered an unrelated trade or business.

Return Reference	Explanation
Schedule K, Part IV, Line 2c-01/20/2005 13,500,000 Colorado Health Facilities Authority	Kutak Rock Arbitrage Consulting prepared the report concerning the arbitrage rebate liability on February 8, 2010. The report concluded there was no arbitrage rebate liability as of January 20, 2010. The next rebate calculation date is January 20, 2015.

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

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, line 38a or 40b.

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

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

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 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

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

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

Part II Loans to and/or From Interested Persons.

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

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Hassan Salem	Provides banking services	1,384,642	Rental & Interest payments		No
(2) Mariner Kemper	Director of Corporation	419,499	Banking services and LOC fees		No
(3) Christie Isenberg-Sage Hospitality	Family Member of Director	227,492	Rooms for sleep clinic patients		No
(4) Lisa C Cicutto	Family member of Dr Gre	130,284	Compensation as employee		No

Part V Supplemental Information

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

Return Reference	Explanation

SCHEDULE M (Form 990)

Noncash Contributions

OMB No 1545-0047

2013

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL JEWISH HEALTH

Employer identification number 74-2044647

Part I Types of Property

Table with 4 columns: (a) Check if applicable, (b) Number of contributions or items contributed, (c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g, (d) Method of determining noncash contribution amounts. Rows include Art-Works of art, Securities-Publicly traded, Securities-Miscellaneous, etc.

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

Table with 2 columns: 29, Yes/No

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

Table with 3 columns: 30a, Yes, No

b If "Yes," describe the arrangement in Part II

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

Table with 3 columns: 31, Yes, No

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

Table with 3 columns: 32a, Yes, No

b If "Yes," describe in Part II

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

Table with 3 columns: 33, Yes, No

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

Return Reference	Explanation
------------------	-------------

Schedule M (Form 990) (2013)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
NATIONAL JEWISH HEALTH

Employer identification number

74-2044647

Return Reference	Explanation
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: Brownstein, Norm-business relationship, Davis, Joe-business relationship, Dodge, R Stanton-business relationship, Gold, Bill - family and business relationship, Gold, Will - family and business relationship, Gibson, Roger - business relationship, Kemper, Mariner - business relationship, Richardson, Blair - business relationship, Robinson, Eddie - business relationship, Salem, Hassan - business relationship, Saltzman, Meyer - business relationship, Schierberg, Richard-investment relationship, Zucker, Evan - business relationship

Return Reference	Explanation
Form 990, Part VI, Section B, Line 11b	The form was prepared by the Finance Staff and was reviewed by the Director of Finance, 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 form prior to filing.

Return Reference	Explanation
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. When conflicts are present, the CCO develops a plan to either eliminate the conflict or develops a plan to manage the conflict. Conflicts involving the CEO would be taken to the Chairman of the Board for resolution. If the EVP/COO had a conflict, 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. The National Jewish conflict of interest policy is available on the National Jewish website.

Return Reference	Explanation
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.

Return Reference	Explanation
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. The most recent audited financial statements and other financial statistics are available on the National Jewish website and the Municipal Market Access System (EMMA). National Jewish does not make its Bylaws available to the public.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

**Open to Public
Inspection**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

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 (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) National Jewish Illiquid Asset Holding Company 1400 Jackson Street 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 entity?	
						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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

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

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

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

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

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

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

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

Return Reference**Explanation**

TY 2013 Reasonable Cause Explanation

Name: NATIONAL JEWISH HEALTH

EIN: 74-2044647

Software ID: 13000241

Software Version: v1.00

Explanation: We implemented a new financial system on 7/1/2013 and it has taken a significant amount of time and resources from the Finance department. Since we prepare the 990 in house, preparation of numerous new reports needed to prepare the 990 has caused a delay in preparing and finishing the 990 by the filing date of February 15, 2015. We mailed Form 8868 requesting a second extension on February 6, 2015 and it was returned on February 16, 2015 with insufficient postage. We added additional postage and remailed it on February 16, 2015.

National Jewish Health and Subsidiary

Consolidated Financial Statements
(With Independent Auditor's Reports Thereon)

June 30, 2014 and 2013

National Jewish Health and Subsidiary
June 30, 2014 and 2013

Contents

Independent Auditor’s Report on Consolidated Financial Statements and Supplemental Information	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Information	
Schedule of Expenditures of Federal Awards	35
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	41
Schedule of Findings and Questioned Costs	43
Summary Schedule of Prior Audit Findings	46

Independent Auditor's Report on Consolidated Financial Statements and Supplementary Information

Board of Directors
National Jewish Health
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of National Jewish Health and Subsidiary (National Jewish), which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Board of Directors
National Jewish Health

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Jewish as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information including the schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2014, on our consideration of National Jewish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Jewish's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
October 27, 2014

National Jewish Health and Subsidiary
Consolidated Statements of Financial Position
June 30, 2014 and 2013
(In thousands)

	2014	2013
Current assets		
Cash and cash equivalents	\$ 3,453	\$ 7,578
Short-term investments	501	85
Accounts receivable		
Patient care, net of estimated uncollectibles of \$23,480 and \$17,338, respectively	19,675	16,392
Grant revenue receivable	5,412	4,165
Bequests, net of allowance for uncollectibles of \$165 and \$28, respectively	2,192	378
Pledges receivable, current portion, net of allowance for uncollectibles of \$668 and \$227, respectively	3,077	1,723
Other	4,435	3,021
Total receivables	34,791	25,679
Assets held by trustees – current portion	2,465	1,750
Prepaid expenses	1,970	2,193
Drugs and supplies	1,792	1,355
Total current assets	44,972	38,640
Assets whose use is limited		
Internally-designated assets	31,967	38,618
Assets held by trustee, net of current portion	1,619	2,363
Assets reserved for gift annuities	9,813	9,216
Other	192	440
Total assets whose use is limited	43,591	50,637
Other assets		
Long-term investments	61,797	57,235
Contributions receivable under unitrust agreements	4,031	4,245
Pledges receivable, net of current portion and allowance for uncollectibles of \$3,998 and \$3,121 respectively	19,131	13,453
Beneficial interest under perpetual trust agreements	12,649	10,722
Unamortized bond and lease issuance costs	557	595
Goodwill	900	900
Other	795	2,062
Total other assets	99,860	89,212
Property and equipment, at cost		
Land	13,086	13,086
Buildings	119,231	118,926
Equipment and software	83,894	83,024
Construction-in-progress	1,656	1,020
	217,867	216,056
Less accumulated depreciation	(125,370)	(118,974)
Property and equipment, net	92,497	97,082
Total assets	\$ 280,920	\$ 275,571

National Jewish Health and Subsidiary
Consolidated Statements of Financial Position
June 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 4,425	\$ 10,105
Line of credit	10,927	8,167
Current portion of workers' compensation	252	298
Accrued salaries, wages, and employee benefits	7,063	6,550
Unearned grant revenue	3,983	2,905
Estimated settlements with third-party payors	736	989
Current portion of accrued vacation	2,675	2,504
Current portion of long-term debt, including capital lease	3,288	3,146
Current liability under annuity contracts	1,587	1,574
Current liability under unitrust agreements	154	150
Total current liabilities	<u>35,090</u>	<u>36,388</u>
Accrued vacation	1,225	1,596
Other	957	3,154
Liability under annuity contracts	10,277	9,216
Liability under unitrust agreements	1,735	1,775
Long-term debt, net of current portion	<u>43,726</u>	<u>47,134</u>
Total liabilities	<u>93,010</u>	<u>99,263</u>
Net assets		
Unrestricted	83,078	88,992
Temporarily restricted	59,281	43,438
Permanently restricted	45,551	43,878
Total net assets	<u>187,910</u>	<u>176,308</u>
Total liabilities and net assets	<u>\$ 280,920</u>	<u>\$ 275,571</u>

National Jewish Health and Subsidiary
Consolidated Statements of Activities
Years Ended June 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Changes in unrestricted net assets		
Unrestricted revenue, gains, and other support		
Net patient service revenue	\$ 117,619	\$ 109,011
Health initiatives revenue	8,200	7,820
Professional education revenue	1,928	2,125
Federal grant revenue	39,524	41,036
Other operating revenue	8,202	7,790
Major gifts	1,829	2,062
Direct mail	2,160	2,431
Special events, net of direct donor benefits of \$3,093 and \$2,864, respectively	2,202	2,003
Bequests	2,937	5,028
Gift annuity contributions	875	537
Investment income, net	6,664	5,151
Total unrestricted revenue, gains, and other support	<u>192,140</u>	<u>184,994</u>
Net assets released from restriction		
Net assets released from restriction – grants	8,717	7,842
Net assets released from restriction – public support	12,957	12,942
Total net assets released from restriction	<u>21,674</u>	<u>20,784</u>
Expenses		
Academic services	88,260	87,008
Clinical services	70,153	61,236
Administration and fiscal support	26,745	24,408
Support services	10,872	11,033
Marketing and health initiatives	11,932	12,872
Professional education	1,430	1,911
Fund development	7,725	8,032
Bad debt expense	2,285	2,902
Total expenses	<u>219,402</u>	<u>209,402</u>
Increase in value of split-interest agreements	326	483
Total expenses and losses	<u>219,728</u>	<u>209,885</u>
Decrease in unrestricted net assets	<u>\$ (5,914)</u>	<u>\$ (4,107)</u>

National Jewish Health and Subsidiary
Consolidated Statements of Activities (continued)
Years Ended June 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Changes in temporarily restricted net assets		
Restricted grant support	8,818	7,760
Major gifts	14,681	15,637
Direct mail	270	328
Special events	1,748	710
Bequests	2,787	468
Contributions of split-interest agreements	80	67
Change in value of split-interest agreements	6,796	3,702
Investment gain, net	2,337	1,595
Total temporarily restricted revenue	<u>37,517</u>	<u>30,267</u>
Net assets released from restriction – grants	(8,717)	(7,842)
Net assets released from restriction – public support	(12,957)	(12,942)
Total net assets released from restriction	<u>(21,674)</u>	<u>(20,784)</u>
Increase in temporarily restricted net assets	<u>15,843</u>	<u>9,483</u>
Changes in permanently restricted net assets		
Contributions	179	690
Investment gain net	1,494	225
Total permanently restricted gain	<u>1,673</u>	<u>915</u>
Increase in permanently restricted net assets	<u>1,673</u>	<u>915</u>
Increase in net assets	11,602	6,291
Net assets, beginning of year	<u>176,308</u>	<u>170,017</u>
Net assets, end of year	<u>\$ 187,910</u>	<u>\$ 176,308</u>

National Jewish Health and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2014 and 2013
(In thousands)

	2014	2013
Cash flows from operating activities		
Increase in net assets	\$ 11,602	\$ 6,291
Items not requiring cash		
Depreciation	9,371	10,299
Bad debt expense	2,285	2,902
Unrealized gains	(5,670)	(2,185)
Permanently restricted revenue, net	(1,673)	(915)
Loss on disposal of property and equipment	101	496
Bond premium and discount amortization	(92)	(92)
Changes in		
Patient care accounts receivable	(5,568)	399
Grant receivables	(1,247)	723
Bequests receivable	(1,814)	3,351
Other current assets	(1,628)	(10)
Contribution receivable	214	(91)
Pledges receivable	(7,032)	(11,829)
Beneficial interest under perpetual trust	(1,927)	(225)
Other assets	1,305	358
Estimated third-party payor settlements	(253)	427
Accounts payable and accrued expenses, workers' compensation, accrued salaries, wages, and employee benefits and unearned grant revenue	(5,892)	(1,225)
Accrued vacation	(200)	325
Deferred contributions	(267)	(25)
Net cash provided by (used in) operating activities	(8,385)	8,974
Cash flows from investing activities		
Purchases of property and equipment	(4,887)	(4,992)
Proceeds from sales of internally designated assets	19,326	11,556
Purchases of internally designated assets	(10,968)	(7,743)
Proceeds from (purchases of) sale of assets held by trustee	29	(242)
Purchases of investments and assets reserved for gift annuities	(24,969)	(17,305)
Proceeds from sale of investments and assets reserved for gift annuities	23,605	16,951
Net cash provided by (used in) investing activities	2,136	(1,775)
Cash flows from financing activities		
Line of credit	2,760	1,101
Repayment of long-term debt	(3,175)	(4,617)
Increase (decrease) in liability under gift annuity agreements	902	(17)
Decrease in liability under unitrust agreements	(36)	(3)
Increase in permanently restricted net assets	1,673	915
Net cash provided by (used in) financing activities	2,124	(2,621)
Net increase (decrease) in cash and cash equivalents	(4,125)	4,578
Cash and cash equivalents, beginning of year	7,578	3,000
Cash and cash equivalents, end of year	\$ 3,453	\$ 7,578
Supplemental schedule of noncash activities		
Capital lease obligation incurred for property and equipment	\$ 5	\$ 4,631
Cash paid for interest	\$ 1,967	\$ 2,142

See Accompanying Notes to the Consolidated Financial Statements

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

(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.

Effective August 2014, National Jewish entered into a joint operating agreement with Sisters of Charity of Leavenworth (SCL) Health/St. Joseph Hospital for the joint management and operation of National Jewish's in-state and St. Joseph Hospital. The new entity will be overseen by a Board of Directors with representation from both entities.

Effective December 2013, National Jewish formed a limited liability corporation in a joint venture with the Icahn School of Medicine at Mount Sinai to oversee the creation and operations of a joint respiratory institute at Mount Sinai in New York.

(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.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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.

(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. At June 30, 2014, approximately 64% of promises to give were from two donors.

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

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

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.

(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 payout 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.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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.

(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.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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.

(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, 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) Long-lived Asset Impairment

National Jewish evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2014 and 2013.

(p) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by National Jewish has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by National Jewish in perpetuity.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(q) 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.

(r) Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

(s) Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the change in net assets.

(3) Charity Care

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. National Jewish's unreimbursed direct and indirect costs for services furnished and not reimbursed under its charity care policy aggregated approximately \$2,582,000 and \$3,085,000 in 2014 and 2013, 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

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

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, 2014 and 2013, National Jewish's net patient receivable for services rendered was approximately \$19,675,000 and \$16,392,000, respectively. Possible credit losses are provided for in National Jewish's allowance for uncollectible accounts and contractual adjustments.

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

	Revenue	
	2014	2013
Medicare	36%	37%
Medicaid	11%	7%
Blue Cross	13%	14%
Managed care	23%	22%
Other third-party payors	17%	20%
	<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, 2014 and 2013 is as follows:

	2014	2013
Federal grants	\$ 39,525,000	\$ 41,036,000
Charitable foundation and private corporation grants	<u>8,818,000</u>	<u>7,760,000</u>
	<u>\$ 48,343,000</u>	<u>\$ 48,796,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(6) Promises to Give

Included as receivables are the following unconditional promises to give as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Pledges	\$ 29,299,000	\$ 20,519,000
Bequests	2,357,000	406,000
Unconditional promises to give before unamortized discount and allowance for uncollectibles	31,656,000	20,925,000
Less unamortized discount - pledges	<u>(2,425,000)</u>	<u>(1,995,000)</u>
	29,231,000	18,930,000
Less		
Allowance for uncollectibles - pledges	(4,666,000)	(3,348,000)
Allowance for uncollectibles - bequests	<u>(165,000)</u>	<u>(28,000)</u>
Net unconditional promises to give	<u>\$ 24,400,000</u>	<u>\$ 15,554,000</u>
Amounts due in		
Less than one year	\$ 6,552,000	\$ 2,681,000
One to five years	15,909,000	9,289,000
More than five years	<u>9,195,000</u>	<u>8,955,000</u>
Total	<u>\$ 31,656,000</u>	<u>\$ 20,925,000</u>

Discount rates ranged from 0.34% to 5.01% for 2014 and 0.34% to 5.17% for 2013

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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, 2014 and 2013 is set forth below.

	2014	2013
Cash and cash equivalents	\$ 2,545,000	\$ 1,723,000
Common stocks and equity funds	10,482,000	9,244,000
International securities and equities	10,296,000	9,832,000
Fixed income securities	4,408,000	13,465,000
U.S. government and agency obligations	650,000	933,000
Alternative investments	3,586,000	3,421,000
	<u>\$ 31,967,000</u>	<u>\$ 38,618,000</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, 2014 and 2013 is as follows:

	2014	2013
Cash and cash equivalents	\$ 2,997,000	\$ 3,549,000
Convertible securities and equities	10,240,000	17,771,000
International securities and equities	19,170,000	17,013,000
Fixed income securities	17,745,000	9,884,000
U.S. government and agency obligations	1,860,000	1,093,000
Alternative investments	9,735,000	7,925,000
LLC/Mount Sinai	50,000	-
	<u>\$ 61,797,000</u>	<u>\$ 57,235,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(9) Composition of Investment Returns

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

	2014		
	Unrestricted	Temporarily Restricted *	Permanently Restricted
Interest income	\$ 2,646,000	\$ 3,255,000	\$ -
Gains			
Realized gains	1,725,000	2,337,000	1,494,000
Unrealized gains	2,293,000	3,377,000	-
Total gains	4,018,000	5,714,000	1,494,000
Total return on investments in stock and bond portfolios	\$ 6,664,000	\$ 8,969,000	\$ 1,494,000
	2013		
	Unrestricted	Temporarily Restricted *	Permanently Restricted
Interest income	\$ 2,562,000	\$ 2,486,000	\$ -
Gains and losses			
Realized gains	1,399,000	1,772,000	225,000
Unrealized gains	1,190,000	995,000	-
Total gains and losses	2,589,000	2,767,000	225,000
Total return on investments in stock and bond portfolios	\$ 5,151,000	\$ 5,253,000	\$ 225,000

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

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(10) Split-interest Agreements

National Jewish has the following split-interest agreements

	2014		
	Assets	Liabilities	Net
Gift annuities	\$ 39,975,000	\$ 11,415,000	\$ 28,560,000
Unitrust agreements			
National Jewish trusteeships	2,673,000	1,889,000	784,000
Third-party trusteeship, net	4,464,000	-	4,464,000
Term endowments	2,587,000	-	2,587,000
Pooled income agreements	701,000	449,000	252,000
Total	<u>\$ 50,400,000</u>	<u>\$ 13,753,000</u>	<u>\$ 36,647,000</u>
	2013		
	Assets	Liabilities	Net
Gift annuities	\$ 37,086,000	\$ 10,790,000	\$ 26,296,000
Unitrust agreements			
National Jewish trusteeships	2,448,000	1,925,000	523,000
Third-party trusteeship, net	4,245,000	-	4,245,000
Term endowments	2,187,000	-	2,187,000
Pooled income agreements	696,000	439,000	257,000
Total	<u>\$ 46,662,000</u>	<u>\$ 13,154,000</u>	<u>\$ 33,508,000</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 0.48% to 10.00% as of June 30, 2014 and 2013.

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 \$9,813,000 and \$9,216,000 at June 30, 2014 and 2013, respectively.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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 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. National Jewish formed a joint venture with the Icahn School of Medicine at Mount Sinai in New York City to support differentiated care and research in respiratory and related diseases on December 17, 2013. As a result of this joint venture, costs related to starting operations will be capitalized. Accordingly, at June 30, 2014, National Jewish had eight unfinished projects. Total projected costs are estimated at \$2,420,000. As of June 30, 2014, National Jewish has expended \$2,299,000 related to these projects.

(12) Long-term Debt

Long-term debt at June 30, 2014 and 2013 is summarized as follows:

	<u>2014</u>	<u>2013</u>
Revenue Bonds, Series 2012	\$ 24,145,000	\$ 25,595,000
Revenue Bonds, Series 2005	11,100,000	11,400,000
Govt School Property	7,250,000	7,750,000
Unamortized Bond Premium		
Revenue Bonds, Series 2012	1,170,000	1,260,000
Capital Lease/Financing Arrangement	<u>3,349,000</u>	<u>4,275,000</u>
	47,014,000	50,280,000
Less: Current Portion	<u>(3,288,000)</u>	<u>(3,146,000)</u>
	<u>\$ 43,726,000</u>	<u>\$ 47,134,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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, 2014:

2015	\$ 1,505,000
2016	1,565,000
2017	1,640,000
2018	1,730,000
2019	1,810,000
Thereafter	<u>15,895,000</u>
	<u>\$ 24,145,000</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, 2014 and 2013.

(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, 2014:

2015	\$ 400,000
2016	400,000
2017	400,000
2018	400,000
2019	400,000
Thereafter	<u>9,100,000</u>
	<u>\$ 11,100,000</u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

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, 2014 was 10%. 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, 2015. The letter of credit expires April 1, 2016, and is automatically extended by one year, each year beginning April 1, unless otherwise terminated before the updated expiration date. Unless certain events occur, such as the expiration date of the letter of credit, advances made on the letter of credit are not due for 366 days from the date of the advance. At June 30, 2014 and 2013, no borrowings were outstanding. The 2005 Bonds are subject to covenants, which 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, 2014 and 2013.

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:

	2014		2013	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Revenue Bonds, Series 2012	\$ 25,315,000	\$ 25,595,000	\$ 26,855,000	\$ 27,554,000
Revenue Bonds, Series 2005	11,100,000	11,100,000	11,400,000	11,400,000

(c) Capital Lease

In August 2012, National Jewish entered into a capital lease with U S Bank to purchase software, hardware, and consulting fees for implementation of a new ERP system, and clinical equipment. As of June 30, 2014, \$4,636,000 has been used to acquire the aforementioned items.

Included in the equipment and software in the accompanying financial statements are assets under capital leases, as follows:

	2014	2013
Classes of assets		
Equipment and software	\$ 4,636,000	\$ 4,631,000
Less accumulated depreciation	(458,000)	(77,000)
	\$ 4,178,000	\$ 4,554,000

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2014, are as follows

2015	\$ 946,000
2016	980,000
2017	980,000
2018	581,000
Less amount representing interest	<u>(138,000)</u>
Present value of future minimum lease payments	<u><u>\$ 3,349,000</u></u>

(d) Held by Trustee

Assets held by trustees represent funds designated by the bond indenture to pay principal and interest on the 2012 and 2005 Bonds. The composition of these funds stated at contractual value, which approximates fair value, at June 30, 2014 and 2013, is as follows

	<u>2014</u>	<u>2013</u>
	Cash and Cash Equivalents	Cash and Cash Equivalents
2012 Bonds		
Bond Reserve Fund	\$ 2,705,000	\$ 2,705,000
Bond Interest/Principal Fund	596,000	625,000
	<u>\$ 3,301,000</u>	<u>\$ 3,330,000</u>
2005 Bonds		
Bond Reserve Fund	\$ 783,000	\$ 783,000
Bond Interest/Principal Fund	-	-
	<u>\$ 783,000</u>	<u>\$ 783,000</u>

(e) 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, 2014, are as follows

2015	\$ 500,000
2016	500,000
2017	<u>6,250,000</u>
	<u><u>\$ 7,250,000</u></u>

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

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.

(13) Line of Credit

National Jewish has a \$15,000,000 unsecured revolving bank line of credit expiring on February 1, 2016. At June 30, 2014 and 2013, there was \$10,927,000 and \$8,167,000, respectively, borrowed against this line, including accrued interest. 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% for both years ended June 30, 2014 and 2013.

(14) Commitments and Contingencies

(a) Operating Leases

National Jewish leases certain facilities and equipment under operating leases. The leases expire in various years through 2019. These leases generally require National Jewish to pay all executory costs (property taxes, maintenance, and insurance). Future minimum rental payments as of June 30, 2014, that have initial or remaining non-cancelable lease terms equal to or greater than one year are as follows:

2015	\$	1,616,000
2016		1,576,000
2017		1,435,000
2018		874,000
2019		223,000
Total future minimum payments	\$	5,724,000

Rental expense for operating leases was approximately \$1,600,000 and \$1,571,000 for the years ended June 30, 2014 and 2013, respectively.

(b) Professional Liability

Reserves for professional liability claims were \$505,000 and \$2,196,000 at June 30, 2014 and 2013, respectively. The professional liability claims are stated at gross. As a result, National Jewish recorded an additional \$254,000 and \$1,606,000 of professional liability reserves and an equal amount of insurance coverage receivables at June 30, 2014 and 2013, respectively. The liability and corresponding receivable have decreased significantly from prior year due to a decrease in outstanding claims and favorable outcomes on settled claims.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

The current portion of the above reserves, \$13,000 and \$162,000 at June 30, 2014 and 2013, 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 \$(339,000) and \$(64,000) for 2014 and 2013, 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 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.

(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, 2014 and 2013

(15) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	<u>2014</u>	<u>2013</u>
Net assets reserved for future unrestricted uses	\$ 2,194,000	\$ 380,000
Restricted for research, education, patient care, and capital construction	31,224,000	21,805,000
Endowed assets not yet appropriated for expenditure	17,775,000	14,042,000
Unitrust agreements and pooled income agreements	<u>8,088,000</u>	<u>7,211,000</u>
	<u>\$ 59,281,000</u>	<u>\$ 43,438,000</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>2014</u>	<u>2013</u>
Beneficial interest in perpetual trust agreement	\$ 12,216,000	\$ 10,722,000
Permanent endowments	<u>33,335,000</u>	<u>33,156,000</u>
Total	<u>\$ 45,551,000</u>	<u>\$ 43,878,000</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, 2014 and 2013, was \$430,000 and \$454,000, respectively.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(17) Endowment

National Jewish's endowment consists of approximately 76 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 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.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(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, 2014.

The composition of net assets by type of endowment fund at June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 20,246,000	\$ 33,335,000	\$ 53,581,000
Board-designated endowment funds	10,626,000	-	-	10,626,000
Total Funds	\$ 10,626,000	\$ 20,246,000	\$ 33,335,000	\$ 64,207,000

Changes in endowment net assets for fiscal year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 12,772,000	\$ 16,229,000	\$ 33,156,000	\$ 62,157,000
Contributions	-	-	179,000	179,000
Endowment transfer	(4,000,000)	(4,194,000)	-	(8,194,000)
Investment income	814,000	3,015,000	-	3,829,000
Net assets released from restriction	-	(60,000)	-	(60,000)
Gain on sale of investments	810,000	2,137,000	-	2,947,000
Unrealized gain on sale of investments	230,000	3,119,000	-	3,349,000
Endowment net assets, end of year	\$ 10,626,000	\$ 20,246,000	\$ 33,335,000	\$ 64,207,000

The composition of net assets by type of endowment fund at June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 16,229,000	\$ 33,156,000	\$ 49,385,000
Board-designated funds	12,772,000	-	-	12,772,000
Total Funds	\$ 12,772,000	\$ 16,229,000	\$ 33,156,000	\$ 62,157,000

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

Changes in endowment net assets for fiscal year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 11,561,000	\$ 15,019,000	\$ 32,466,000	\$ 59,046,000
Contributions	-	-	690,000	690,000
Endowment transfer	-	(3,442,000)	-	(3,442,000)
Investment income	623,000	2,252,000	-	2,875,000
Net assets released from restriction	-	(63,000)	-	(63,000)
Gain (loss) on sale of investments	(5,000)	1,652,000	-	1,647,000
Unrealized gain on sale of investments	593,000	811,000	-	1,404,000
Endowment net assets, end of year	<u>\$ 12,772,000</u>	<u>\$ 16,229,000</u>	<u>\$ 33,156,000</u>	<u>\$ 62,157,000</u>

(18) Fair Value Disclosure

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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

(a) Recurring Measurements

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, 2014 and 2013.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

**Fair Value Measurements
at Reporting Date Using**

Description	June 30, 2014	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	\$ 305.000	\$ 305.000	\$ -	\$ -
Bonds and notes	196.000	196.000	-	-
Total short-term investments	<u>501.000</u>	<u>501.000</u>	<u>-</u>	<u>-</u>
Internally-designated assets				
Common stocks and equity funds	10.482.000	10.482.000	-	-
International securities and equities	10.296.000	10.296.000	-	-
Fixed income securities	650.000	650.000	-	-
U S government and agency securities	4.407.000	4.407.000	-	-
Alternative investments	3.587.000	-	-	3.587.000
Total internally-designated assets	<u>29.422.000</u>	<u>25.835.000</u>	<u>-</u>	<u>3.587.000</u>
Assets reserved for gift annuities				
Fixed-income securities	3.598.000	3.598.000	-	-
Convertible securities and equities	3.697.000	3.697.000	-	-
International securities and equities	2.518.000	2.518.000	-	-
Total assets reserved for gift annuities	<u>9.813.000</u>	<u>9.813.000</u>	<u>-</u>	<u>-</u>
Long-term investments				
Convertible securities and equities	19.969.000	19.969.000	-	-
International securities and equities	17.743.000	17.743.000	-	-
Fixed income securities	10.240.000	10.240.000	-	-
U S government and agency securities	1.860.000	1.860.000	-	-
Alternative investments	9.735.000	-	9.000	9.726.000
LLC/Mount Sinai	50.000	-	50.000	-
Total long-term investments	<u>59.597.000</u>	<u>49.812.000</u>	<u>59.000</u>	<u>9.726.000</u>
Other				
Bonds and notes	192.000	150.000	42.000	-
Beneficial interest in perpetual trust	12.649.000	-	12.649.000	-
Total other	<u>12.841.000</u>	<u>150.000</u>	<u>12.691.000</u>	<u>-</u>
Total assets above	<u>112.174.000</u>	<u>86.111.000</u>	<u>12.750.000</u>	<u>13.313.000</u>
Cash and cash equivalents not included above	<u>4.745.000</u>			
Total	<u>\$ 116.919.000</u>			

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

**Fair Value Measurements
at Reporting Date Using**

Description	June 30, 2013	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	\$ 60.000	\$ 60.000	\$ -	\$ -
Bonds and notes	25.000	25.000	-	-
Total short-term investments	<u>85.000</u>	<u>85.000</u>	<u>-</u>	<u>-</u>
Internally-designated assets				
Common stocks and equity funds	9.244.000	9.244.000	-	-
International securities and equities	9.832.000	9.832.000	-	-
Fixed income securities	13.465.000	13.465.000	-	-
U S government and agency securities	933.000	933.000	-	-
Alternative investments	3.421.000	-	3.421.000	-
Total internally-designated assets	<u>36.895.000</u>	<u>33.474.000</u>	<u>3.421.000</u>	<u>-</u>
Assets reserved for gift annuities				
Fixed-income securities	4.794.000	4.794.000	-	-
Convertible securities and equities	4.422.000	4.422.000	-	-
Total assets reserved for gift annuities	<u>9.216.000</u>	<u>9.216.000</u>	<u>-</u>	<u>-</u>
Long-term investments				
Convertible securities and equities	17.771.000	17.771.000	-	-
International securities and equities	17.013.000	17.013.000	-	-
Fixed income securities	9.223.000	9.223.000	-	-
U S government and agency securities	1.093.000	1.093.000	-	-
Alternative investments	7.925.000	-	7.925.000	-
Pooled income funds	686.000	686.000	-	-
Total long-term investments	<u>53.711.000</u>	<u>45.786.000</u>	<u>7.925.000</u>	<u>-</u>
Other				
Bonds and notes	440.000	311.000	129.000	-
Beneficial interest in perpetual trust	10.722.000	-	10.722.000	-
Total other	<u>11.162.000</u>	<u>311.000</u>	<u>10.851.000</u>	<u>-</u>
Total assets above	<u>111.069.000</u>	<u>88.872.000</u>	<u>22.197.000</u>	<u>-</u>
Cash and cash equivalents not included above	<u>5.247.000</u>			
Total	<u>\$ 116.316.000</u>			

National Jewish Health and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2014. In 2013, the fair value of alternative investments were based on a methodology that analyzed the underlying valuation investments. In 2014, the valuation methodology was changed to include the redemption frequency, which resulted in a Level 3 classification due to redemption limitations.

(b) Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The value of certain investments, classified as alternative investments, is determined using net asset value (or its equivalent) as a practical expedient. Investments for which National Jewish expects to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2. Investments for which National Jewish does not expect to be able to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 3.

(c) Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(d) Alternative Investments

Except as described below, the fair value of alternative investments has been estimated using the net asset value per share of the investments. Alternative investments held at June 30 consist of the following:

June 30, 2014				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fund of Fund (A)	\$ 13,313,000	\$ 3,363,000	Quarterly to End of Term of Fund	60 Days to End of Term of Fund

June 30, 2013				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fund of Fund (A)	\$ 11,346,000	\$ 3,723,000	Quarterly to End of Term of Fund	60 Days to End of Term of Fund

(A) This category includes investments in fund to funds that pursue multiple strategies to diversify risks and reduce volatility. The funds' composite portfolio includes investments in U.S. common stocks, global real estate projects, private equity, pooled income vehicles and arbitrage investments. However, as of June 30, 2014, it is probable that all investments in this category will be sold at an amount different from the net asset value of National Jewish's ownership interest in partners' capital. Therefore, the fair values of the investments in this category have been estimated using recent observable transaction information for similar investments. Investments with quarterly redemptions require lock-up periods of one year which has expired on the funds currently held. Of the remaining funds, they cannot be liquidated prior to the termination of the fund without the approval of the General Manager of the fund. Investment in the funds is intended to be long-term.

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

(e) Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs

	Fund of Funds
Balance, July 1, 2013	\$ -
Total realized and unrealized gains and losses included in change in net assets	
Net realized gains (losses) on sales of investments	-
Unrealized appreciation (depreciation) on investments	1,536,000
Contributions	701,000
Distributions	(270,000)
Transfers in and/or out of Level 3	11,346,000
Balance, June 30, 2014	\$ 13,313,000

(f) Nonrecurring Measurements

The following tables present 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, 2014 and 2013

Description	June 30, 2014	Fair Value Measurements during Reporting Year		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Contributions and promises to give	\$ 9,094,000	\$ -	\$ 9,094,000	\$ -
Charitable remainder trusts	80,000	-	80,000	-
Gift annuities	875,000	-	875,000	-
Total	\$ 10,049,000	\$ -	\$ 10,049,000	\$ -

National Jewish Health and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2014 and 2013

Description	June 30, 2013	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)
Contributions and promises to give	\$ 15,035,000	\$ -	\$ 15,035,000	\$ -
Charitable remainder trusts	67,000	-	67,000	-
Gift annuities	537,000	-	537,000	-
Total	<u>\$ 15,639,000</u>	<u>\$ -</u>	<u>\$ 15,639,000</u>	<u>\$ -</u>

As of June 30, 2013 alternative investments were considered to be Level 2. As of June 30, 2014, management has re-evaluated the investments to be Level 3.

(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 2014 and 2013 approximated \$5,200,000 and \$4,931,000, 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.

Supplementary Information

National Jewish Health and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Cluster/Program	CFDA Number	Award Amount	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development Cluster					
Environmental Protection Agency:					
Science to Achieve Results (STAR) Research Program	66 509	\$ 1,897,209	\$ 151,884	\$ 81,520	\$ 233,404
Environmental Education Grant	66 951	160,000	103,050	-	<u>103,050</u>
Subtotal Environmental Protection Agency					<u>336,454</u>
National Institutes of Health:					
Allergy and Immunology	93 A127220	30,306,352	7,119,869	847,251	7,967,120
Allergy and Immunology	93 NO90005	4,568,020	762,292	439,666	1,201,958
National Heart, Lung and Blood Institute	93 HL26820	1,873,026	345,996	66,053	412,049
National Heart, Lung and Blood Institute	93 HR56167	23,574	819	479	1,298
National Heart, Lung and Blood Institute	93 HR76185	113,838	11,890	6,659	18,549
National Heart, Lung and Blood Institute	93 2682009	348,372	84,001	28,601	112,602
Environmental Health Development and Coordination of Rural Health Services	93 113	6,360,496	2,573,126	546,380	3,119,506
Mental Health Research Grants	93 233	1,521,874	58,533	30,023	88,556
National Center for Advancing Translational Sciences	93 242	892,973	234,062	119,664	353,726
Nursing Research	93 350	1,891,012	711,523	209,782	921,305
National Center for Research Resources	93 361	78,532	27,458	-	27,458
Cancer Cause and Prevention Research	93 389	2,013,732	407,219	85,159	492,378
Cancer Biology Research	93 393	39,999	24,756	14,482	39,238
Cancer Centers Support Grants	93 396	19,565	(1,383)	(809)	(2,192)
ARRA-Trans-NIH American Recovery and Reinvestment Act	93 397	35,833	17,541	10,035	27,576
ARRA Comparative Effectiveness Research	93 701	2,231	(213)	2,084	1,871
Heart and Vascular Diseases Research	93 715	75,433	10,923	6,390	17,313
Lung Diseases Research	93 837	5,236,679	1,208,976	411,090	1,620,066
Arthritis, Musculoskeletal and Skin Diseases Research	93 838	29,761,609	9,302,469	3,274,634	12,577,103
Diabetes, Digestive and Kidney Diseases Extramural Research	93 846	889,693	155,271	89,909	245,180
Extramural Research Programs in the Neurosciences and Neurological Disorders	93 847	360,793	107,926	41,283	149,209
Allergy, Immunology and Transplantation Research	93 853	1,004,661	81,693	47,790	129,483
Biomedical Research and Research Training	93 855	20,423,613	4,934,494	2,591,980	7,526,474
Vision Research	93 859	1,477,090	280,821	159,501	440,322
Medical Library Assistance	93 867	772,688	250,260	145,764	396,024
	93 879	5,310	786	460	1,246
Subtotal National Institutes of Health					<u>37,885,418</u>

National Jewish Health and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Cluster/Program	CFDA Number	Award Amount	Direct Expenditures	Indirect Expenditures	Total Expenditures
Centers for Disease Control:					
Occupational Safety and Health Program	93 262	22,297	(5,627)	(3,292)	<u>(8,919)</u>
Department of Defense:					
Military Medical Research and Development	12 420	8,326,876	218,162	76,726	<u>294,888</u>
Department of Justice:					
Public Safety Partnership and Community Policing Grants	16 710	50,449	2,549	-	<u>2,549</u>
Department of Labor:					
Occupational Safety & Health	17 502	225,276	61,060	18,740	<u>79,800</u>
Department of Health and Human Services:					
Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93 257	453,726	140,286	42,910	<u>183,196</u>
Department of Energy:					
Office of Science Financial Assistance Program	81 049	663,730	145,091	72,438	<u>217,529</u>
Total Research and Development Cluster					<u>38,990,915</u>
Other Programs					
National Institutes of Health:					
Coal Miners Respiratory Impairment Treatment Clinics and Services	93 965	972,796	408,501	124,393	<u>532,894</u>
Total Other Programs					<u>532,894</u>
Total Federal Expenditures					<u>\$ 39,523,809</u>

See accompanying notes to the schedule of expenditures of federal awards

National Jewish Health and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Notes to Schedule

- 1 This schedule includes the federal awards activity of National Jewish Health and Subsidiary and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements and is presented on the accrual basis of accounting.
- 2 Of the federal expenditures presented in this schedule, National Jewish Health and Subsidiary provided federal awards to subrecipients as follows:

CFDA #	Subrecipient	Amount
12 420	Vanderbilt University	\$ 13,741
17 502	Colorado State University	4,574
66 509	Brigham and Womens Hospital	3,011
66 951	American Lung Association of Colorado	4,470
	Aurora Public Schools	3,087
	Colorado Mesa University	1,485
	Denver Green School	3,593
	Earth Force Inc	5,000
	Falcon School District 49	4,235
	John McConnell Math & Science	5,000
	Mead High School	3,748
	Regional Air Quality Council	4,996
	Soaring Eagle Ecology Center	3,792
	Stem Magnet Lab School	2,398
	Vikan Middle School	3,276
	Western Slope Conservation Center	2,604
		<u>47,684</u>
81 049	Titan Consulting	<u>10,235</u>

National Jewish Health and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA #	Subrecipient	Amount
93 A127220	Children's Hospital Boston	805.150
	Children's Hospital of Los Angeles	307.000
	Icahn School of Medicine at Mount Sinai	37.500
	Johns Hopkin's University	1,801.207
	La Jolla Institute of Allergy	47.521
	Northwestern University	391.400
	Oregon Health and Sciences University	512.821
	University of California Regents of Los Angeles	764.167
	University of California Regents of San Diego	65.847
	University of Colorado at Denver Health Sciences Center	318.552
	University of Iowa	206.418
	University of Rochester	416.176
	<u>5,673.759</u>	
93 HL268020	University of Colorado at Denver Health Sciences Center	<u>223.089</u>
93 113	Children's Hospital of Philadelphia	338.346
	University of Colorado at Denver Health Sciences Center	1,139.908
	University of Pennsylvania	27.449
	<u>1,505.703</u>	
92 233	University of Colorado at Denver Health Sciences Center	<u>6.642</u>
93 242	Duke University	<u>29.494</u>
93 837	University of Colorado at Denver Health Sciences Center	<u>51.051</u>
93 838	Indiana University	188.178
	Johns Hopkin's University	283.342
	Kaiser	72.842
	University of Michigan Regents	14.497
	University of Colorado at Denver Health Sciences Center	1,060.219
	University of Iowa	83.321
	<u>1,702.399</u>	
93 855	University of Colorado at Denver Health Sciences Center	171.682
	University of Virginia	20.320
	Virginia Tech	43.839
	<u>235.841</u>	
	Total Subrecipients	<u><u>\$ 9,507.223</u></u>

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
National Jewish Health and Subsidiary
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of National Jewish Health and Subsidiary (National Jewish) which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 27, 2014.

Internal Control Over Financial Reporting

Management of National Jewish is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered National Jewish's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Jewish's internal control. Accordingly, we do not express an opinion on the effectiveness of National Jewish's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of National Jewish's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Board of Directors
National Jewish Health and Subsidiary

Compliance and Other Matters

As part of obtaining reasonable assurance about whether National Jewish's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the National Jewish's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Jewish's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
October 27, 2014

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Board of Directors
National Jewish Health and Subsidiary
Denver, Colorado

Report on the Compliance of Each Major Federal Program

We have audited the compliance of National Jewish Health and Subsidiary's (National Jewish) with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. National Jewish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of National Jewish's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about National Jewish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of National Jewish's compliance.

Board of Directors
National Jewish Health and Subsidiary

Opinion on Each Major Federal Program

In our opinion, National Jewish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of National Jewish is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered National Jewish's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of National Jewish's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
October 27, 2014

National Jewish Health and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

1 Type of auditor’s report issued

Unmodified Qualified Adverse Disclaimer

2 Internal control over financial reporting

Significant deficiency(ies) identified? Yes None Reported

Material weakness(es) identified? Yes No

3 Noncompliance considered material to the financial statements noted?

Yes No

Federal Awards

4 Internal control over major programs

Significant deficiency(ies) identified? Yes None Reported

Material weakness(es) identified? Yes No

5 Types of auditor’s report issued on compliance for major programs

Unmodified Qualified Adverse Disclaimer

6 Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

Yes No

National Jewish Health and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

7 Identification of major programs

Cluster/Program	CFDA Number
Research and Development Cluster	Various

8 Dollar threshold used to distinguish between Type A and Type B programs \$1,185,714

9 Auditee qualified as low-risk auditee? Yes No

National Jewish Health and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
No matters are reportable		

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
No matters are reportable		

National Jewish Health and Subsidiary
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

Reference Number	Summary of Finding	Status
	No matters are reportable	