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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

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

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

C Name of organization
CHILDREN'S HEALTH CARE

Doing Business As
CHILDREN'S HOSPITALS AND CLINICS OF

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2525 CHICAGO AVENUE SOUTH

City or town, state or country, and ZIP + 4
MINNEAPOLIS, MN 554041844

D Employer identification number
41-1754276

E Telephone number
(612) 813-6100

G Gross receipts $ 591,195,085

F Name and address of principal officer
JERRY MASSMANN
2525 CHICAGO AVENUE SOUTH
MINNEAPOLIS, MN 55404

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

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

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW CHILDRENSMN ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1995

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Children's Hospitals and Clinics of Minnesota champions the special health needs of children

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	24
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	21
5	Total number of employees (Part V, line 2a)	5	4,638
6	Total number of volunteers (estimate if necessary)	6	1,523
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	101,077
b	Net unrelated business taxable income from Form 990-T, line 34	7b	42,125

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	26,536,249	29,889,469
9	Program service revenue (Part VIII, line 2g)	540,114,119	545,511,514
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-51,647,850	-11,440,103
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,313,981	1,456,864
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	516,316,499	565,417,744
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	269,220	341,745
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	325,652,923	328,709,457
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	204,119,932	214,770,180
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	530,042,075	543,821,382
19	Revenue less expenses Subtract line 18 from line 12	-13,725,576	21,596,362

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	812,731,449	835,818,044
21	Total liabilities (Part X, line 26)	448,079,492	369,497,389
22	Net assets or fund balances Subtract line 21 from line 20	364,651,957	466,320,655

Part II Signature Block

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

Sign Here

****** | 2010-11-12
Signature of officer | Date

JERRY MASSMANN CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Kristina Rasmussen	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ DELOITTE TAX LLP 50 SOUTH SIXTH STREET MINNEAPOLIS, MN 55402			EIN ▶ Phone no ▶ (612) 397-4000

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Children's Hospitals and Clinics of Minnesota champions the special health needs of children and their families We are committed to improving children's health by providing high-quality, family centered pediatric services through research and education

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 461,396,760 including grants of $ 341,745) (Revenue $ 544,210,675)

Hospital Program Services Families look to Children's Hospitals and Clinics of Minnesota for the finest in pediatric care As the only freestanding children's hospital in Minnesota, every ounce of our expertise, our technology, our investment, and our research focuses on kids Once again in 2009, U S News & World Report named Children's one of America's best children's hospital for neonatal care Children's was the only pediatric hospital in Minnesota to be recognized in the top 30 Children's was also the only pediatric hospital in the five state area to receive the 2009 Leapfrog Top Hospitals Award for delivering care that is among the best in the nation, while attaining the highest levels of efficiency See Schedule O We are Minnesota's largest provider of care to children with complex surgical conditions, heart disease, cancer, diabetes, and extreme pre-maturity Children's cared for 13,877 inpatient admissions with 87,540 patient days -- over 50 percent of hospital beds devoted to critical care, 19,754 surgical cases, 90,963 emergency room visits, 137,853 outpatient clinic visits many of which provided to inner city Minneapolis and St Paul residents, 55,488 families encounters for language interpretation utilizing 43 different languages interpreted Key hospital program services include I Cardiovascular - Children's pediatric cardiovascular program is one of the largest in the region with some of the most impressive outcomes in the U S Team members care for thousands of the region's sickest children with heart conditions, including fetuses, newborns, infants, children, adolescents, and adult, long-term patients with pediatric cardiovascular conditions Children's has designated its cardiovascular program as a "cornerstone program " These are major Children's programs which meet rigorous criteria for excellence, including outstanding use of evidence-based practices, clinical research, and advanced technologies II Neonatal Intensive Care - Children's specializes in caring for multiples, babies with congenital anomalies, very premature and very low birth weight babies, and infants born with other complex diagnoses We offer exceptional tertiary and quaternary care for babies, with survival outcomes among the best in the world Children's neonatal program is the fourth-largest in the U S , with more than 1,900 neonatal admissions per year Our neonatal team includes highly-trained and experienced professionals from a full spectrum of medical specialties Children's has designated its neonatal intensive care program as a "cornerstone program " III Hematology/Oncology - The hematology/oncology program at Children's is the largest in the upper Midwest with treatment outcomes that consistently rank Children's as one of the top ten programs in the U S In our nationally unique model, your child's or teen's care is spearheaded and coordinated by a board-certified hematologist/oncologist, who leads a highly experienced team of multidisciplinary professionals Children's has designated its hematology/oncology program as a "cornerstone program " IV Cystic Fibrosis - The Cystic Fibrosis (CF) Center at Children's of Minnesota diagnoses and treats children in all stages of CF Our dedication to family-centered care and education helps children and their families learn to live with CF CF care is a leading programs at Children's, called a "cornerstone program " Care at Children's for patients with CF ranks among the top 10 programs nationally in key outcomes measured by the National Cystic Fibrosis Registry Children's provides a continuum of care through coordinated inpatient and outpatient services, from diagnosis through long-term follow-up The Cystic Fibrosis Center of Children's provides state-of-the art comprehensive care for children with CF V Diabetes/Endocrinology - The McNeely Pediatric Diabetes Center is the only diabetes center in the region to specialize in working solely with children and teens The staff provide expert health care to help maintain a child's targeted blood sugar ranges Most children seen in the diabetes center have Type 1 diabetes A small but growing number have Type 2 Diabetes and endocrinology care is a "cornerstone program" at Children's In addition to diabetes, the clinic provides diagnostic services and treatment for children with disorders of growth, advanced or delayed sexual development, pituitary disorders, thyroid abnormalities, disorders of calcium balance, adrenal disorders, and hypoglycemia The McNeely Pediatric Diabetes Center has received recognition for its diabetes education program from the American Diabetes Association, by meeting the association's high educational standards VI Surgery - Children's surgery teams deliver next-generation care in an award-winning environment that is exclusively dedicated to pediatrics Health professionals of many disciplines work together to provide your child with the best possible surgery experience With children, there's no such thing as routine surgery Children's bodies are different than adults' For example, they often require specially-sized surgical equipment They react differently to anesthesia and to pain Their bodies respond differently to illness and treatment, in part because they are still growing That's why children benefit from our highly accomplished, pediatric-specific surgery teams At Children's, over 20,000 surgeries are performed each year on fetuses, newborns, children, adolescents, and young adults from throughout the Upper Midwest Surgical treatment results rank Children's among the top hospitals in the U S in pediatric surgical care Children's has some of the lowest rates in the U S of post-surgery complications and some of the highest rates of patient and family satisfaction As a charitable organization, Children's Hospitals & Clinics of Minnesota also provides a broad spectrum of benefits to the communities we serve These services and donations account for a measureable portion of the costs of the hospitals and help to promote healthy lifestyles, community development, health education, and affordable access to care Please see IRS Form 990, Schedule H for a summary of these community benefits

4b (Code) (Expenses $ 2,654,599 including grants of $) (Revenue $)

Research Research activities at Children's Hospitals and Clinics of Minnesota are designed to improve child and adolescent health outcomes and clinical care delivery by establishing a substantive scientific framework to promote innovation in clinical and health system practice at the child, family, and community level In 2009 Children's conducted 424 research projects, 183 of which were clinical trials to examine the effectiveness of diagnostic, therapeutic, and preventive services In addition 61 peer-reviewed manuscripts were published See Schedule O Currently, we have 87 open treatment studies, and 70 open studies that are either biology, registries, or epidemiological in focus for Hematology/Oncology patients alone Children's is a site for the national Children's Oncology Group (COG) and is among the top ten hospitals in COG for the number of children with newly diagnosed cancer treated each year Examples of current research projects in other areas at Children's include a Pediatric Heart Network multi-center trial funded by the National Institutes of Health, which is being performed in our Cardiovascular and Critical Care Research Center on patients with Marfan Syndrome Our Diabetes/Endocrinology department has been enrolling patients in a Medtronic sponsored study on their prospective, randomized, two arm study to compare the efficacy of the MiniMed Paradigm REAL-Time System versus Multiple Daily Injection (MDI) in subjects with Type 1 Diabetes Mellitus naive to insulin pump therapy Additional areas in which Children's is participating in research include Cystic Fibrosis, Pain and Palliative Care and in Emergency/Trauma, which have 15, 7, and 11 active studies respectively

4c (Code) (Expenses $ 6,494,895 including grants of $) (Revenue $ 1,300,839)

Education Many efforts to improve the health and well being of children and youth require long-term investment in their future Children's provides education and training programs for providers, health care students, and other health professionals in the following areas I Community medical education for community physicians During the 2009 calendar year, Children's provided training and education to 44 5 full time equivalent (FTE) residents, and 6 7 FTE fellows These FTE numbers reflect the 375 individual residents and 32 individual fellows who performed one or more rotations at Children's Minneapolis, Children's St Paul, or both locations See Schedule O The rotations were performed in Children's Emergency Department, inpatient medical/surgical, PICU and neonatal inpatient care units, surgery and anesthesia, ENT surgery, urology, and subspecialty clinics The residents and fellows came from 33 different medical educational programs 24 from the University of Minnesota, 3 from Mayo Clinic, 2 from Regions Hospital, 1 from United Hospital, 1 from HCMC, 1 from Rapid City Regional Hospital, and 1 from UW Eau Claire Additionally, 370 medical students rotated to Children's Minneapolis, Children's St Paul, or both locations II Education and training of health care and other providers of services to children 1 The Midwest Regional Children's Advocacy Center at Children's is a leader in improving the care of abused and neglected children whose goal is to improve services for abused children in local communities throughout the region The Center offers information, consultation, technical assistance, and training to physicians, nurses, and non-medical members of community child abuse teams, including law enforcement personnel, attorneys and child protection workers 2 Recognized, as the nation's leader in palliative care education, Children's Institute for Palliative Care (CIPC) developed a model for a regional training and consultation center CIPC develops and leads training seminars using recognized curriculum for pediatric palliative care, provides hospital-based consultation to children who are in need of hospice or palliative care while they are hospitalized, offers a regional 24/7 telephone consultation program providing education, support, and guidance to families and professional providers, and serves as a resource center for pediatric palliative care 3 The Minnesota Sudden Infant Death Syndrome (SID) Center is a statewide program that provides information, counseling, and support to anyone experiencing a sudden and unexpected infant death from any cause The SID Center is the state's resource for information on Sudden Infant Death Syndrome (SIDS) and SIDS risk reduction The Center conducts training and educational programs for health care providers, child-care workers, and other professional and community groups The Center also tracks and reports infant mortality trends in Minnesota and participates in local, state, and national initiatives to reduce the risk of sudden, unexpected infant death The Minnesota SID Center collaborates with the Minnesota Department of Health, county public health nurses, and medical examiners in every county throughout Minnesota 4 The Emergency Medical Services for Children (EMSC) Resource Center housed at Children's creates awareness regarding the special needs of children in emergency medical situations EMSC educational programs are designed to train pre-hospital personnel, first responders, physicians, nurses, and school nurses in the unique needs of infants and children in emergency situations The EMSC Resource Center also provides technical assistance, participates in statewide pediatric emergency/disaster preparedness planning, develops and disseminates pediatric emergency are guidelines, and conducts mortality reviews and research III Education and employment - Because disparities in child health are so closely associated with low educational attainment and poor job skills, Children's is engaged in several key community partnerships to improve educational success and earning potential among youth and adults Examples include the Roosevelt High School Health Careers Program that provides students interested in health care careers the opportunity to receive health care specific education and obtain internships with health care organizations, the Achieve Minneapolis/Step-up Summer Jobs Program that places youth in supervised summer internships at participating companies and organizations, and a partnership with Project for Pride in Living that recognizes that a healthy, sustainable community requires residents with well-paying jobs

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

4e **Total program service expenses** ▶ $ 470,546,254

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	● Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	● Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	● Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	● Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	● Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	● 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? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional*	12A Yes		
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	454		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	4,638		
b	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 this return (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ See the instructions for exceptions and 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?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		
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?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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.

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	24		
b	Enter the number of voting members that are independent	1b	21		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?			3	No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?			4	No
5	Did the organization become aware during the year of a material diversion of the organization's assets?			5	No
6	Does the organization have members or stockholders?			6	No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?			7a	No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?			7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			8a	Yes
b	Each committee with authority to act on behalf of the governing body?			8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9	No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

JERRY MASSMANN CFO
2525 CHICAGO AVENUE S
MINNEAPOLIS,MN 55404
(612) 813-6113

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

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 Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees 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 the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See add'l data										

1b Total . . . . . ▶	7,490,563	170,263	927,709

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 469

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

(A) Name and business address	(B) Description of services	(C) Compensation
Cerner Corp PO Box 412702 Kansas City, MO 64141	Hardware & Software Maintenance	5,320,573
Childrens Respiratory & Critical Care 2545 Chicago Ave S Suite 617 Minneapolis, MN 55404	Physician Services	3,344,501
Zavata Inc PO Box 8500 Philadelphia, PA 19178	Patient Billing	2,314,808
Children's Heart Clinic 2545 Chicago Ave S 106 Minneapolis, MN 55404	Physician Services	2,167,170
Perot Systems Corp 12020 Collections Center Drive Chicago, IL 60693	patient Billing	1,760,872
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 73		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	16,925,374			
	e	Government grants (contributions)	1e	12,964,095			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $ 230,440					
	h	**Total.** Add lines 1a-1f		29,889,469			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENU	621,400	385,876,392	385,876,392		
	b	MEDICARE/MEDICAID PAYM	621,400	155,068,398	155,068,398		
	c	PHARMACY REVENUE	621,400	1,910,619			1,910,619
	d	PARKING	812,930	1,860,619		-14,128	1,874,747
	e	LAB REVENUE	621,500	317,336		115,205	202,131
	f	All other program service revenue		478,150	478,150		
	g	**Total.** Add lines 2a–2f		545,511,514			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		14,165,657			14,165,657
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross Rents	116,473 /				
	b	Less rental expenses	104,826 /				
	c	Rental income or (loss)	11,647 /				
	d	Net rental income or (loss)		11,647			11,647
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	/ 66,755				
	b	Less cost or other basis and sales expenses	25,652,559 / 19,956				
	c	Gain or (loss)	-25,652,559 / 46,799				
	d	Net gain or (loss)		-25,605,760			-25,605,760
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722,210	1,321,876			1,321,876
	b	MARKETPLACE	453,220	62,037			62,037
	c	VENDING MACHINES	722,210	36,699			36,699
	d	All other revenue		24,605			24,605
	e	**Total.** Add lines 11a–11d		1,445,217			
	12	**Total revenue.** See Instructions		565,417,744	541,422,940	101,077	-5,995,742

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	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 U S See Part IV, line 21	341,745	341,745		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,437,292	1,349,526	4,087,766	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	252,800,196	230,532,963	22,267,233	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	21,500,039	19,305,388	2,194,651	
9	Other employee benefits	31,193,878	26,464,678	4,729,200	
10	Payroll taxes	17,778,052	15,963,245	1,814,807	
11	Fees for services (non-employees)				
a	Management	5,718,079	5,119,624	598,455	
b	Legal	529,870	4,060	525,810	
c	Accounting	334,053		334,053	
d	Lobbying	92,838		92,838	
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees	878,567	878,567		
g	Other	52,008,926	45,233,650	6,775,276	
12	Advertising and promotion	1,853,070	86,995	1,766,075	
13	Office expenses	7,179,874	4,833,354	2,346,520	
14	Information technology	9,803,277		9,803,277	
15	Royalties				
16	Occupancy	11,694,804	10,491,507	1,203,297	
17	Travel	1,347,715	1,066,883	280,832	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,240,442	1,002,539	237,903	
20	Interest	6,342,349	6,342,349		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	32,910,080	20,690,952	12,219,128	
23	Insurance	2,709,002	2,709,002		
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	MEDICAL SUPPLIES	49,484,868	49,484,868		
b	MNCARE TAX	9,967,731	9,967,731		
c	BAD DEBT	8,940,010	8,940,010		
d	MEDICARE SURCHARGE	6,977,737	6,977,737		
e	TEMPORARY LABOR	1,076,200	558,384	517,816	
f	All other expenses	3,680,688	2,200,497	1,480,191	
25	**Total functional expenses.** Add lines 1 through 24f	543,821,382	470,546,254	73,275,128	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		17,758,759	1	9,652,108
	2	Savings and temporary cash investments		80,437,708	2	13,964,040
	3	Pledges and grants receivable, net		1,093,866	3	1,459,130
	4	Accounts receivable, net		72,898,261	4	62,233,034
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		719,064	5	834,256
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,623,215	8	4,237,559
	9	Prepaid expenses and deferred charges		3,421,686	9	4,126,881
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 514,418,446			
	b	Less accumulated depreciation	10b 211,977,042	196,075,260	10c	302,441,404
	11	Investments—publicly traded securities		205,034,468	11	302,460,247
	12	Investments—other securities See Part IV, line 11		74,423,286	12	6,415,742
	13	Investments—program-related See Part IV, line 11		10,887,259	13	18,008,977
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		146,358,617	15	109,984,666
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		812,731,449	16	835,818,044
Liabilities	17	Accounts payable and accrued expenses		88,061,095	17	83,204,508
	18	Grants payable			18	
	19	Deferred revenue		409,912	19	3,133,679
	20	Tax-exempt bond liabilities		265,447,689	20	233,570,347
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		450,165	23	2,648,719
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		93,710,631	25	46,940,136
	26	**Total liabilities.** Add lines 17 through 25		448,079,492	26	369,497,389
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		301,117,946	27	394,811,150
	28	Temporarily restricted net assets		40,503,272	28	45,045,312
	29	Permanently restricted net assets		23,030,739	29	26,464,193
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		364,651,957	33	466,320,655
	34	Total liabilities and net assets/fund balances		812,731,449	34	835,818,044

Part XI Financial Statements and Reporting

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

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

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

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

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** 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—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2009.** 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—2008.** 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 IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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** ▶

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2008 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2009.** 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—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶

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

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: CHILDREN'S HEALTH CARE

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ALAN L GOLDBLOOM MD PRESIDENT & CEO	50 00	X		X				1,032,241	0	292,294
EDWARD J PHILLIPS CHAIR	1 00	X		X				0	0	0
SIMA GRIFFITH BOARD MEMBER	1 00	X						0	0	0
JOHN R BULTENA BOARD MEMBER	1 00	X						0	0	0
RAYMOND L BARTON VICE CHAIR	1 00	X		X				0	0	0
OCTAVIO PORTU JR BOARD MEMBER	1 00	X						0	0	0
MARVIN S SEGAL MD BOARD MEMBER	1 00	X						0	0	0
RON WHITE BOARD MEMBER	1 00	X						0	0	0
SANDRA SACKETT MD BOARD MEMBER	1 00	X						0	0	0
MICHAEL B FITERMAN BOARD MEMBER	1 00	X						0	0	0
KELLY DELAHUNTY MD BOARD MEMBER	1 00	X						0	0	0
ANDREA KMETZ-SHEEHY BOARD MEMBER	1 00	X						0	0	0
CHAD M LINDBLOOM BOARD MEMBER	1 00	X						0	0	0
DAVID MILLER BOARD MEMBER	1 00	X						0	0	0
MICHAEL J OTT BOARD MEMBER	1 00	X						0	0	0
TIMOTHY J PABST BOARD MEMBER	1 00	X						0	0	0
PATRICK G RYAN BOARD MEMBER	1 00	X						0	0	0
JAMES D SIDMAN MD BOARD MEMBER	1 00	X						0	0	0
COLIN SMITH BOARD MEMBER	1 00	X						0	0	0
SUSAN SENCER MD VICE CHIEF OF STAFF	1 00	X						306,166	0	51,631
MICHAEL V CIRESI BOARD MEMBER	1 00	X						0	0	0
MOLLY CULLIGAN BOARD MEMBER	1 00	X						0	0	0
GAYE ADAMS MASSEY BOARD MEMBER	1 00	X						0	0	0
RYAN D ROBINSON BOARD MEMBER	1 00	X						0	0	0
JERRY MASSMANN CFO, VP FINANCE	50 00			X				567,468	0	60,531

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PHIL KIBORT CMO, VP MEDICAL AFFAIRS	50 00			X				630,043	0	46,069
DAVID BRUMBAUGH VP HUMAN RESOURCES	50 00			X				314,791	0	39,221
THERESA PESCH VP DEV & EXEC DIR FDTN	25 00			X				157,076	157,077	39,803
VIRGINIA MALONE CHIEF NURSING OFFICER	50 00			X				295,040	0	27,984
MARIA CHRISTU GENERAL COUNSEL	50 00			X				355,978	0	47,254
DAVID OVERMAN CHIEF OPERATING OFFICER	50 00			X				491,865	0	36,324
GLORIA DRAKE SR DIR CLINICAL SVC PERI	50 00				X			217,341	13,186	57,933
PAMALA VANHAZINGA SR DIR CLINICAL SVC CRIT	50 00				X			167,620	0	36,607
BECKY BEDORE SR DIR CLINICAL SVC PEDI	50 00				X			163,960	0	45,743
JOHN NICOTRA STAFF PHYSICIAN	50 00					X		573,282	0	19,732
DAVID ZALESKE SURGICAL DIR PEDIATRIC O	50 00					X		498,280	0	28,713
KAREN BLUMBERG MEDICAL DIRECTOR	50 00					X		604,021	0	20,056
RICHARD PATTERSON STAFF PHYSICIAN	50 00					X		563,921	0	40,158
WILLIAM MIZE STAFF PHYSICIAN	50 00					X		551,470	0	37,656
PATRICIA KLAUCK FORMER OFFICER							X	0	0	0

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
PATIENT SERVICE REVENU	621,400	385,876,392	385,876,392		
MEDICARE/MEDICAID PAYM	621,400	155,068,398	155,068,398		
PHARMACY REVENUE	621,400	1,910,619			1,910,619
PARKING	812,930	1,860,619		-14,128	1,874,747
LAB REVENUE	621,500	317,336		115,205	202,131

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL SUPPLIES	49,484,868	49,484,868		
MNCARE TAX	9,967,731	9,967,731		
BAD DEBT	8,940,010	8,940,010		
MEDICARE SURCHARGE	6,977,737	6,977,737		
TEMPORARY LABOR	1,076,200	558,384	517,816	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

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

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

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

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

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

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

Name of the organization	Employer identification number
CHILDREN'S HEALTH CARE	41-1754276

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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		
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-		

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) 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)?	Yes		
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		88,260
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		4,578
j	Total lines 1c through 1i			92,838
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	Children's retains a lobbyist to assist directly with lobbying efforts at the state level Children's Director of Child Health Policy also occasionally will meet with state legislators, provide testimony on child health issues, or otherwise provide information to state lawmakers and their staffs With respect to federal lobbying efforts, Children's Director of Child Health policy and CEO will occasionally travel to Washington to meet with federal lawmakers This is generally done in collaboration with industry organizations, such as NACHRI, who indirectly provide federal lobbying support on behalf of Children's Children's is a member of the National Association of Children's Hospitals (NACH) $4,578 of membership dues paid to NACH relate to lobbying activities

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

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

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	23,511,131	35,160,520			
b Contributions	1,160,044	819,502			
c Investment earnings or losses	4,333,957	-10,484,516			
d Grants or scholarships	359,530	1,984,375			
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	28,645,602	23,511,131			

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

- a Board designated or quasi-endowment ▶ 12 000 %
- b Permanent endowment ▶ 88 000 %
- c Term endowment ▶ %

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

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,968,672		10,968,672
b Buildings		303,066,188	79,211,379	223,854,809
c Leasehold improvements		1,865,035	988,255	876,780
d Equipment		193,095,913	128,969,775	64,126,138
e Other		5,422,638	2,807,633	2,615,005
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				302,441,404

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

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

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

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

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

(a) Description	(b) Book value
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	109,984,666

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
MN CARE TAX PAYABLE	2,091,982
SELF-INSURANCE RESERVE	848,709
RSVP RETIREMENT PLAN	29,825,979
EXECUTIVE BENEFITS LIABILITY	7,326,902
POST RETIREMENT BENEFITS	3,246,224
WORKERS COMP LIABILITY	2,065,836
SELF-INSURANCE EQUIP RESERVE	127,900
ACCRUAL VERP	1,406,604
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	46,940,136

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	565,417,744
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	543,821,382
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	21,596,362
4	Net unrealized gains (losses) on investments	4	40,669,926
5	Donated services and use of facilities	5	2,000
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	39,400,410
9	Total adjustments (net) Add lines 4 - 8	9	80,072,336
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	101,668,698

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

1	Total revenue, gains, and other support per audited financial statements			1	634,801,835
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	40,669,926		
b	Donated services and use of facilities	2b	2,000		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	28,654,138		
e	Add lines **2a** through **2d**			2e	69,326,064
3	Subtract line **2e** from line **1**			3	565,475,771
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-58,027		
c	Add lines **4a** and **4b**			4c	-58,027
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	565,417,744

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

1	Total expenses and losses per audited financial statements			1	542,140,838
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	58,027		
e	Add lines **2a** through **2d**			2e	58,027
3	Subtract line **2e** from line **1**			3	542,082,811
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	1,738,571		
c	Add lines **4a** and **4b**			4c	1,738,571
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	543,821,382

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	The majority of endowment funds are held by Children's Health Care Foundation, a related organization The intended use of the Funds is to support the programs at Children's Health Care There are also two endowment funds that are held and administered by US Bank, an unrelated organization, which are also used to support the programs at Children's Health Care Refer to Part III, Line 4 for a description of the programs of Children's Health Care
Part X	Description of Uncertain Tax Positions Under FIN 48	The Internal Revenue Service has determined that Children's and its subsidiaries are exempt organizations as described in Section 501(C)(3) of the Internal Revenue Code ("IRC") Children's believes that it continues to meet the requirements of the IRC to sustain its tax-exempt status There are no federal income tax expenses, penalties, or interest in the consolidated statements of operations and no unrecognized tax benefits for the years ended December 31, 2009 and 2008
Part XI, Line 8 - Other Adjustments		Change in value of interest rate swap valuation $26,248,080 Change in beneficial interest in net assets of Foundation $8,643,984 RSVP Retirement plan-related changes $4,144,629 Unrealized swap earnings $363,717
Part XII, Line 2d - Other Adjustments		Investment expense ($878,567) Amortization expense ($860,004) RSVP Retirement plan-related changes $4,144,629 Change in unrealized interest rate swap valuation $26,248,080
Part XII, Line 4b - Other Adjustments		Gain on sale of assets $46,799 Rental expense ($104,826)
Part XIII, Line 2d - Other Adjustments		Gain on sale of assets ($46,799) Rental expense $104,826
Part XIII, Line 4b - Other Adjustments		Investment expense $878,567 Amortization expense $860,004

Additional Data

Software ID:
Software Version:
EIN: 41-1754276
Name: CHILDREN'S HEALTH CARE

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

(a) Description	**(b)** Book value
ASSETS OF EXECUTIVE BENEFIT PLANS	14,705,520
UNAMORTIZED BOND INSURANCE AND DEFERRED FINANCING COSTS	5,275,060
INVESTMENT IN LAND FOR POSSIBLE EXPANSION	3,240,298
INTERCOMPANY RECEIVABLE	3,607,511
NURSING EDUCATION LOANS RECEIVABLE	139,045
PHARMACEUTICAL SERVICES DEPOSIT	1,456,510
PHYSICIAN RELOCATION LOANS RECEIVABLE	224,301
FACILITY DEPOSIT	120,000
UNITED SHARED SERVICE ARRANGEMENT	5,909,996
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION	74,690,674
OTHER	8,906
INVESTMENT IN LAUNDRY COOPERATIVE	606,845

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

1 **(a)** Description of Liability	**(b)** Amount
MN CARE TAX PAYABLE	2,091,982
SELF-INSURANCE RESERVE	848,709
RSVP RETIREMENT PLAN	29,825,979
EXECUTIVE BENEFITS LIABILITY	7,326,902
POST RETIREMENT BENEFITS	3,246,224
WORKERS COMP LIABILITY	2,065,836
SELF-INSURANCE EQUIP RESERVE	127,900
ACCRUAL VERP	1,406,604

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

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

3 Activites per Region (Use Schedule F-1 (Form 990) if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
CENTRAL AMERICA AND THE CARIBBEAN			SELF-INSURANCE FOR MEDICAL MALPRACTICE CLAIMS	N/A	117,052
Totals . . . . . ▶	0	0			117,052

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Schedule F-1 (Form 990) if additional space is needed.

1 **(a)** Name of organization	**(b)** IRS code section and EIN (if applicable)	**(c)** Region	**(d)** Purpose of grant	**(e)** Amount of cash grant	**(f)** Manner of cash disbursement	**(g)** Amount of of non-cash assistance	**(h)** Description of non-cash assistance	**(i)** Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Supplemental Information

Complete this part to provide the information required in Part I, line 2, and any additional information.

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☑ 350% ☐ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			8,095,583	55,660	8,039,923	1 500 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			182,335,342	156,283,979	26,051,363	4 870 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			190,430,925	156,339,639	34,091,286	6 370 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			8,976,434	277,130	8,699,304	1 630 %
f Health professions education (from Worksheet 5)			6,494,895	1,300,839	5,194,056	0 970 %
g Subsidized health services (from Worksheet 6)			52,938,074	34,331,304	18,606,770	3 480 %
h Research (from Worksheet 7)			2,653,743	-856	2,654,599	0 500 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			125,000		125,000	0 020 %
j **Total** Other Benefits			71,188,146	35,908,417	35,279,729	6 600 %
k **Total.** Add lines 7d and 7j			261,619,071	192,248,056	69,371,015	0

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing			50,000		50,000	0 010 %
2	Economic development						
3	Community support			1,290,392	131,722	1,158,670	0 220 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			36,300		36,300	0 010 %
7	Community health improvement advocacy						
8	Workforce development			50,700		50,700	0 010 %
9	Other						
10	**Total**			1,427,392	131,722	1,295,670	0 250 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	3,853,591		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	963,398		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	154,570		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	307,676		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-153,106		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes		

Part IV Management Companies and Joint Ventures

	(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					
14					

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
CHILDREN'S - MINNEAPOLIS 2525 CHICAGO AVENUE SOUTH MINNEAPOLIS, MN 55404	X	X	X	X		X	X		
CHILDREN'S - ST PAUL 345 NORTH SMITH AVENUE ST PAUL, MN 55102	X	X	X	X		X	X		

Part VI Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

Part I, Line 3c FPG is the primary measurement used to determine eligibility for charity care However, policy exceptions may be granted for families who either have income exceeding the guidelines established or who with the sliding scale discount continue to have insufficient means to pay Asset tests and other thresholds can be used Part I line 6a Children's Hospitals and Clinics of Minnesota prepares an annual community benefits report The community benefits report is periodically included as a section within the annual report to the community

Part I, Line 7f

Part I, Line 7 Subsidized health services benefits include the subsidized costs of two physician clinics A clinic is located on both the Minneapolis and St Paul campuses These clinics serve the local communities that include a high percentage of minorities and low-income families Net community benefit expenses related to these clinics were $643,000 for the twelve months of 2009 Part I, line 7, column (f) Bad debt expense of $8,940,010 was subtracted for purposes of calculating the percentage in Schedule H, Part I, line 7, column (f) Part I, line 7 A ratio of patient care cost to charges, as calculated using Form 990, Schedule H, Worksheet 2 - Ratio of Patient Care Cost to Charges, was used to calculate community benefit costs for Schedule H, Part I, Line 7, rows (a)(c) Community benefit costs for rows (b)(e)(f)(g)(h)(i)(j) were calculated using a full-absorption costing model that combines direct costing and the allocation of indirect costs through an activity-based costing methodology

Part III, Line 4 Bad debt is defined as the unpaid obligation for care provided to patients who have been determined to be able to pay, but have not demonstrated a willingness to pay The amounts attributable to patients eligible under the organizations charity care policy are determined by a patient's willingness to pay with a documented inability to pay per measures established by our policy Both amounts are estimated by applying the ratio of patient care cost to charges, as calculated on Form 990, Schedule H, Worksheet 2, to the actual patient charges The organization estimates that twenty-five percent of bad debt expenses are attributable to patients who likely would qualify for financial assistance under the organization's charity care policy if sufficient information had been available to make a determination of their eligibility The estimate of twenty-five percent is based on historical trends and the experience of area supervisors Footnote from 2009 audited financials Patient Accounts Receivable - Patient accounts receivable represent amounts due from federal and state agencies, managed health care plans, commercial insurance companies, employers, and patients Children's grants credit to patients, most of whom are insured under third-party payer agreements, without collateral or any other security to support amounts due Children's determines an allowance for doubtful accounts by considering a number of factors, including, but not limited to, the length of time accounts receivable are past due, its previous loss history, the existence of a third-party payer, reimbursement trends, and other collection indicators Accounts are written off when all reasonable internal and external collection efforts have been performed and payments subsequently received on such receivables are credited to the allowance Children's recognizes that revenues and receivables from government agencies are significant to its operations, but does not believe there are significant credit risks associated with these government agencies In 2009, net revenue from the top four third-party payers accounted for 39%, 24%, 14%, and 9% of net patient service revenue In 2008, net revenue from the top four third-party payers accounted for 40%, 22%, 12%, and 12% of net patient service revenue

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

Part III, Line 9b When collecting medical debt, Children's Hospitals and Clinics of Minnesota will treat its patient families with honor, dignity, and courtesy, demonstrate compassion, and be good stewards of health care resources There is a zero tolerance for abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by Children's employees who collect medical debt from patient families This policy applies broadly to all patient families we serve Components of Children's collection policy include During the pre-registration, registration, or admission process, Children's will attempt to identify and inform patient families who may be eligible for charity care or discounted care through the uninsured discount or charity care policy All Children's employees and contracted staff who have direct contact with patients will be educated on an annual basis of Children's financial assistance policies The education will inform staff of programs available and how a patient family may obtain more information and submit an application for financial assistance A financial assistance application will be sent with the initial letter explaining the process for obtaining financial assistance to all self pay patient families or patient families who indicate at registration an inability to pay All correspondence seeking collection of medical debts will contain a reference to the availability of financial assistance Minnesota hospital providers have jointly developed consistent collection guidelines set out in formal agreements with the Minnesota Attorney General's Office This agreement is consistent with Children's collection policy The Audit Committee of our Board of Directors annually reviews this policy and all policies concerning collection of medical debt, uninsured discount, and charity care The Audit Committee also reviews the results of an annual audit related to these areas in accordance with the Minnesota Attorney General's Agreement

Part V Children's also operates specialty and rehabilitation clinics in the following locations Woodbury,MN, Maple Grove, MN, Minnetonka, MN and Roseville, MN and operates pediatric clinics in Eagan, MN and West St Paul, MN

2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

Part VI, Line 2 Needs Assessment The health care needs of the community served by Children's Hospitals & Clinics of Minnesota is determined as follows a Board of Directors the organization's governing body, comprised of community members who reside locally, provides governance that includes the health care services provided to the local community b Children's employed physicians, independent physicians who provide care at Children's, and numerous clinical care providers assess community needs daily through the pediatric care provided throughout the community c The Family Advisory Council a diverse group of families whose children are present or past patients of Children's provide input as to Children's services Council members represent a wide range of inpatient and outpatient experiences to help enhance the quality of child and family care experiences at Children's Council responsibilities include - Develop, implement, and evaluate service and facility standards - Communicate to management the recommendations and concerns expressed by parents, family members, parent associations, and others - Advise on policy review, promote family-centered care, and support program development d Community partnerships partnerships with groups such as the Minnesota Hospital Association Policy and Advocacy Committee and the Hennepin County Health Department Community Advisory Group helps the organization identify community needs e The Office of Health Care Equity (OHCE), is designed to enable Children's to gather data, pursue research and analysis, and develop and test improved models of care toward elimination of pediatric health care disparities f Youth Advisory Council is a dedicated group of patients, ages 10 to 18, offering practical ideas on how to help Children's focus even more closely on the special needs of children and teens They eagerly voice their opinions, from choices of food on the hospital menu to how they want adults at Children's to relate to them g Children's maintains an advocacy department that is responsible for identifying community health needs and leading efforts that advocate for pediatric health needs h Other methods include and are not limited to partnerships and projects with third party-payers and other community physicians and hospitals, monitoring and reporting of infectious disease data, disaster readiness efforts, research and education, support groups, and others

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 charity care policy

Part VI, Line 3 Patient Education of Eligibility for Assistance Components of Children's collection policy include During the pre-registration, registration, or admission process, Children's will attempt to identify and inform patient families who may be eligible for charity care or discounted care through the uninsured discount or charity care policy All Children's employees and contracted staff who have direct contact with patients will be educated on an annual basis of Children's financial assistance policies The education will inform staff of programs available and how a patient family may obtain more information and submit an application for financial assistance A financial assistance application will be sent with the initial letter explaining the process for obtaining financial assistance to all self pay patient families or patient families who indicate at registration an inability to pay All correspondence seeking collection of medical debts will contain a reference to the availability of financial assistance Minnesota hospital providers have jointly developed consistent collection guidelines set out in formal agreements with the Minnesota Attorney General's Office This agreement is consistent with Children's collection policy The Board of Directors (Audit Committee) performs an annual review of this policy and all policies concerning collection of medical debt, uninsured discount, and charity care The Audit Committee shall also review the results of an annual audit related to these areas in accordance with the Minnesota Attorney General's Agreement

4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

Part VI, Line 4 Community information (communities we serve) Children's Hospitals & Clinics of Minnesota serves the five state area of the upper Midwest (Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin) Approximately eighty percent of inpatient admissions are from the three-million individuals residing in the eleven county metropolitan areas of the Twin Cities The remaining twenty percent of inpatient admissions are from outstate Minnesota and the surrounding states These patients represented one-hundred percent of Minnesota counties and sixty-five percent of total counties in the five state area The age of patients reflects the pediatric health services provided with seventy-five percent of patients under the age of ten and ninety percent under the age of fifteen Patient diversity at Children's significantly exceeds the diversity of the local population with non-white patients representing over fifty percent of patients served as compared to less than twenty percent for the local community Children's provides interpreter services for forty languages with the most frequent languages being Spanish, Somali, and Hmong Children's also serves a disproportionate share of economically disadvantaged patients with thirty-nine percent of patient revenues from government programs The Minneapolis campus is located within the Phillips-Powderhorn neighborhood (MUA), home to one of the most ethnically diverse communities in Minnesota Approximately twenty-five percent are foreign born, twenty-six percent are African-American, twenty-two percent are Hispanic, and seven percent are American Indian

5 Community building activities. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

Part VI, Line 5 Community building activities Children's provided the following community building activities in 2009 - STEP-UP and Health Careers at Roosevelt High School the mission of this program is to provide educational opportunities to a diverse body of students from the local community who are interested in preparing for a career in health care - Project for Pride in Living this is a nonprofit agency working with lower-income individuals and families throughout the Twin Cities metro area to achieve greater self-sufficiency through housing, employment training, education, and support services - Hands-Joining-Hands this group is committed to increasing mutual awareness about community issues and communication opportunities for involvement among employees and neighbors by joining forces with community organizations - Midwest Regional Outreach The Midwest Children's Resource Center is a regional center providing specialty services for children who are possibly abused, their families, and the professionals who work with them MCRC brings together a multi-disciplinary team of child abuse specialist who provide a broad range of services, including medical and psychological consultation The center works as an advocate for the children who have been abused, seeking to significantly advance protection, treatment, and healing of these children

6 Provide any other information important to describing how the organization's hospitals 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)

Part VI, Line 6 Other Information As a charitable organization, Children's provides a broad spectrum of benefits to the communities it serves that would otherwise be unavailable or insufficient to meet patient demand for the express purpose of improving the health status of children in the community These include programs such as free clinics, health screenings, support counseling for patients and families, crisis intervention, disaster readiness and the cost of providing community health partnerships and educations These services and donations account for a measurable portion of the hospital's costs and help to promote healthy lifestyles, community development, health education, and affordable access to care Example programs include - Teen Age Medical Service (TAMS) has provided outpatient clinic services and community health education since 1968 to adolescents, especially those whose complex needs are not served by the traditional health care system TAMS is committed to providing accessible health services and advocacy on behalf of youth regardless of ability to pay TAMS exceeds the standard model of family planning by providing additional resources such as social workers, nurse practitioners, outreach workers, and dedicated physicians In 2008 between clinic services and educational outreach, TAMS served more than 3,000 youth Of the adolescents seen at TAMS about one-third have no medical insurance and nearly one-half rely on Medicaid to pay for care Approximately 90 percent of patients live below 200 percent of the federal poverty level - Children's is one of the local hospitals and health plans in the Twin Cities that advises Portico Healthnet on issues related to program services and provides funding for medical services to participants Portico Healthnet, a nonprofit health and human services organization, serves the community by assisting children, parents, and individuals who are uninsured with applications to health care programs and by offering a primary and preventive health care access program for people ineligible for public programs Since 1995, 8,000 uninsured children and adults have enrolled in Portico's safety-net coverage program, and another 8,000 have been enrolled in public coverage programs with assistance from Portico Healthnet - Women, Infants & Children (WIC) Program WIC is a nutrition program that helps eligible pregnant women, new mothers, babies and young children eat well, learn about nutrition, and stay healthy An important component of this funding is that it will provide health care to underserved populations in Minneapolis, particularly those in the Latino and Somali communities - The EMSC Resource Center provides technical assistance to agencies to improve pediatric emergency care The EMSC works to reduce child morbidity and mortality due to trauma and critical illness and is the only statewide program that focuses on improving pediatric components of medical care - The Sudden Infant Death Center provides support to families and promotes awareness within both the medical and lay communities of SIDS and other causes of sudden infant death The center works to identify causes of sudden, unexpected infant death throughout Minnesota, reaches out with information and support to families, educates professionals and the public, and participates in research - The Simulation Center is a motor coach outfitted with simulation equipment and staffed with Children's trainers, travels throughout the Midwest to train staff from hospitals in the best practices when responding to pediatric or neonatal medical emergencies

7 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 communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Heart Association 460 N Lindbergh Blvd St Louis, MO 63141	135613797	501(C)(3)	10,000				Sponsorship of the Start Heart Walk
Childrens Hospital Association2525 Chicago Ave S Minneapolis, MN 55404	410711605	501(C)(3)	20,620				Emerald Ball fundraiser tickets
Cystic Fibrosis Foundation 8011 34th Ave S Suite 116 Bloomington, MN 55425	136161105	501(C)(3)	8,000				Breath of Life Gala Sponsor
Memorial Blood Centers737 Pelham Blvd St Paul, MN 55114	410693869	501(C)(3)	15,000				Support Sickle Cell disease program
Minnesota Wild Foundation 317 Washington St St Paul, MN 55102	900518400	501(C)(3)	12,000				Wild about Children event
Portico Healthnet2610 University Ave W Suite 550 St Paul, MN 551142007	411814659	501(C)(3)	75,000				Help familes to get Medical Assistance coverage
Project for Pride in Living 1035 E Franklin Ave Minneapolis, MN 55406	237232208	501(C)(3)	75,000				Support Project for Pride in Livings health careers job training program
Roosevelt HS Health Careers Program4029 28th Ave S Minneapolis, MN 55406	410851980	501(C)(3)	20,000				Support Roosevelt HS Health Careers program
Smith Partners400 Second Ave S Suite 1200 Minneapolis, MN 55401	203663831		21,800				Support Phillips Partnership
University of Minnesota NW5960 PO Box 1450 Minneapolis, MN 55485	416007513	GOVERNMENT ENTITY	7,500				Summit of the Sages sponsorship

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 9

3 Enter total number of other organizations . . . ▶ 1

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ 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 orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		No
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ 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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	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?	**5a**		No
b	Any related organization?	**5b**		No
	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?	**6a**		No
b	Any related organization?	**6b**		No
	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	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Alan Goldbloom is reimbursed for his membership fees for the Minneapolis Club, which is used solely for business purposes
	Part I, Line 4a	Certain employees of Children's Health Care are provided the opportunity to participate in the Supplemental Executive Retirement Plan (the SERP) The SERP requires that the employee have an agreement in order to be eligible to participate in the SERP Payments from the SERP occur at retirement and are based on years of service and percentage of salary The following amount represents the amount deferred under the SERP in 2009 ALAN GOLDBLOOM $228,040 Certain employees of Children's Health Care are provided the opportunity to participate in the Capital Accumulation Plan (the Capital Plan) The Capital Plan requires that the employee is a physician or executive and is a 5 FTE or more in order to be eligible to participate in the Capital Plan Payments from the Capital Plan occur at vesting and are based on percentage of salary The following amount represents the amount paid under the Capital Plan in 2009 ALAN GOLDBLOOM $62,099 JERRY MASSMANN $48,659 PHIL KIBORT $40,155 DAVID ZALESKE $41,437 DAVID BRUMBAUGH $16,596 VIRGINIA MALONE $23,597 MARIA CHRISTU $29,699 THERESA PESCH $15,836 Certain employees of Children's Health Care are provided the opportunity to participate in the Deferral Account Pay Plan (the Deferral Plan) The Deferral Plan requires that the employee is a physician or executive and is a 5 FTE or more in order to be eligible to participate in the Deferral Plan Payments from the Deferral Plan occur at vesting and are based on percentage of salary The following amount represents the amount paid under the Deferral Plan in 2009 JERRY MASSMANN $21,303

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1754276
Name: CHILDREN'S HEALTH CARE

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

(A) Name		(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				
ALAN L GOLDBLOOM MD	(I)	659,426	310,390	62,425	280,253	12,041	1,324,535	62,099
	(II)	0	0	0	0	0	0	0
SUSAN SENCER MD	(I)	252,965	31,713	21,488	33,682	17,949	357,797	0
	(II)	0	0	0	0	0	0	0
JERRY MASSMANN	(I)	363,204	118,916	85,348	48,490	12,041	627,999	69,962
	(II)	0	0	0	0	0	0	0
PHIL KIBORT	(I)	425,779	118,916	85,348	28,120	17,949	676,112	40,155
	(II)	0	0	0	0	0	0	0
DAVID BRUMBAUGH	(I)	238,270	68,260	8,261	21,272	17,949	354,012	16,596
	(II)	0	0	0	0	0	0	0
THERESA PESCH	(I)	121,090	25,851	10,135	13,881	6,021	176,978	7,918
	(II)	121,089	25,852	10,136	13,881	6,020	176,978	7,918
VIRGINIA MALONE	(I)	214,510	61,453	19,077	20,000	7,984	323,024	23,597
	(II)	0	0	0	0	0	0	0
MARIA CHRISTU	(I)	257,040	73,637	25,301	30,625	16,629	403,232	29,699
	(II)	0	0	0	0	0	0	0
DAVID OVERMAN	(I)	380,057	111,808	0	18,375	17,949	528,189	0
	(II)	0	0	0	0	0	0	0
GLORIA DRAKE	(I)	181,596	31,106	4,639	37,822	16,797	271,960	0
	(II)	11,017	1,887	282	2,295	1,019	16,500	0
PAMALA VANHAZINGA	(I)	144,229	23,391	0	18,941	17,666	204,227	0
	(II)	0	0	0	0	0	0	0
BECKY BEDORE	(I)	140,028	23,932	0	38,214	7,529	209,703	0
	(II)	0	0	0	0	0	0	0
JOHN NICOTRA	(I)	507,406	65,876	0	18,375	1,357	593,014	0
	(II)	0	0	0	0	0	0	0
DAVID ZALESKE	(I)	448,632	0	49,648	20,849	7,864	526,993	41,437
	(II)	0	0	0	0	0	0	0
KAREN BLUMBERG	(I)	539,183	64,838	0	18,375	1,681	624,077	0
	(II)	0	0	0	0	0	0	0
RICHARD PATTERSON	(I)	503,358	60,563	0	23,529	16,629	604,079	0
	(II)	0	0	0	0	0	0	0
WILLIAM MIZE	(I)	495,157	56,313	0	19,707	17,949	589,126	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	1995B2004A - SEE SCHEDULE O	41-6005375	603695FG7	08-24-2004	77,550,000	HEALTH CARE BUILDINGS AND EQUIPMENT		X		X
B	2004B - SEE SCHEDULE O	41-6005375	603695EC7	05-25-2005	51,550,000	REFUNDING OF 2004 TAXABLE WHICH REFUNDED 1995B		X		X
C	2007A - SEE SCHEDULE O	41-6005375	603695FP7	11-15-2007	103,000,000	MINNEAPOLIS AND ST PAUL FACILITY EXPANSION AND UPGRADE		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	77,550,000	51,550,000	106,148,383		
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds	2,050,000		2,444,951		
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	50,000,000		103,703,432		
8	Year of substantial completion	2004		2009		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X		X			X				
10	Were the bonds issued as part of an advance refunding issue?		X		X		X				
11	Has the final allocation of proceeds been made?	X		X		X					
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X					
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X				
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	13 180 %		0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 010 %		0 %		0 010 %					
6	Total of lines 4 and 5	13 190 %		0 %		0 010 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X					

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X				
2	Is the bond issue a variable rate issue?	X		X		X					
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X		X					
b	Name of provider	PIPER JAFFREY		PIPER JAFFREY		PIPER JAFFREY					
c	Term of hedge	30 200000000000		20 200000000000		29 800000000000					
4a	Were gross proceeds invested in a GIC?		X		X		X				
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X				
6	Did the bond issue qualify for an exception to rebate?	X		X		X					

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Phil Kibort Split Dollar Life Insurance		X	37,138	37,138		No		No	Yes	
Jerry Massmann Split Dollar Life Insurance		X	330,931	330,931		No		No	Yes	
Maria Christu Split Dollar Life Insurance		X	53,858	53,858		No		No	Yes	
Alan Goldbloom Split Dollar Life Insurance		X	331,080	331,080		No		No	Yes	
Virginia Malone Split Dollar Life Insurance		X	81,249	81,249		No		No	Yes	
Total . . . . . ▶ $				834,256						

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
Pediatric ENT Association	James Sidman, President of Pediatric ENT Association	76,491	Medical Payment to Pediatric ENT Association for Medical Director services		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2009

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Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art	X	2	5,000	FAIR MARKET VALUE
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	X		3,937	FAIR MARKET VALUE
5	Clothing and household goods	X		171,904	FAIR MARKET VALUE
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory	X	8	1,213	FAIR MARKET VALUE
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Tickets for Entertainment)	X	28	48,386	FAIR MARKET VALUE
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶ ( )				

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

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		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?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

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

Identifier	Return Reference	Explanation

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

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Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Children's senior management reviews the draft Form 990 with the Audit and Compliance Committee of the governing body prior to filing of the Form This review includes an overview of the Form and discussion related to key sections Copies of the final Form 990 are made available to members of the Committee and all directors prior to the Form being filed The Audit and Compliance Committee has been delegated the authority to oversee the completion and filing of the Form 990 by the full board, and the Committee reports the results of its review and approval to the full board at a regularly scheduled board meeting
Form 990, Part VI, Section B, line 12c		Management of Children's ensure that conflict of interest disclosure forms are completed by all members of the governing body and board committees at least annually Forms are completed at the beginning of the year, and directors and committee members are instructed to provide additional disclosures if necessary during the course of the year The Governance Committee of the governing body, along with senior management (CEO and General Counsel) review all disclosures provided by governing board members The results of this review and any concerns, limitations, etc , are reported by the Governance Committee to the full board If conflicts are identified, the Governance Committee and management work to ensure that directors do not participate in discussion or voting on the affected matter
Form 990, Part VI, Section B, line 15		Children's follows the requirements set forth in the IRS rebuttable presumption of reasonableness in determining compensation for the CEO and other officers and executive leaders of Children's This function is performed by the Compensation Committee of the governing board, which is composed of only independent directors The process includes review of comparability data, retention of an outside compensation consultant and contemporaneous substantiation of the deliberation and decision through detailed minutes of the Compensation Committee and full board meetings where executive compensation is considered
Form 990, Part VI, Section C, line 19		Form 990, Part VI, Section C, Line 19 Children's makes financial statement information public through a summary of financial performance in its annual report In addition, financial statements are provided to Children's bond trustee, who thereafter make this information publicly available Children's governing documents and conflict of interest policy are not available to the public
Form 990, Part VII		The following individuals held positions at both Children's Health Care and Children's - Minnetonka The hours listed on Part VII are the average hours per week these individuals devoted to Children's Health Care during the year In addition, these individuals also devoted the following average hours per week to Children's - Minnetonka Phil Kibort 1 5 hours Jerry Massmann 1 5 hours Gloria Drake 6 0 hours The following individuals held positions at both Children's Health Care and Children's Health Care Foundation The hours listed on Part VII are the average hours per week these individuals devoted to Children's Health Care during the year In addition, these individuals also devoted the following average hours per week to Children's Health Care Foundation Alan Goldbloom 1 0 hour Susan Sencer 1 0 hour Maria Christu 1 0 hour Jerry Massmann 1 0 hour Theresa Pesch 25 0 hours
Schedule K Supplental Information		The report periods selected for all three bond issues recorded on Schedule K are not the same as the fiscal year end for the rest of Form 990 Schedule K uses the bond year ending August 15, 2010 Schedule K, Part II, Line 5 Issuance Costs A Credit Enhancement $1,239,936 Other Issuance Costs $810,064 C Credit Enhancement $1,582,951 Other Issuance Costs $862,000 Schedule K, Part II, Line 8 Year of Substantial Completion B As this bond issue consists entirely of refunding bonds, it is Children's understanding that the concept of "year of substantial completion" does not apply to this issue Schedule K, Part III, Column B B Part III is not required for these bonds, but information is entered anyway, due to software limitations Schedule K, Part III, Line 4 Private Use The project financed by the 2004A bond issue shows a one-year private use percentage that is an aberration which is supported by bond counsel opinion that the percentage will reduce to acceptable ranges over the lives of the bonds as calculated under the regulations Schedule K, Part III, Line 5 Private Use C A small portion of Children's laboratory department is financed with bond proceeds A portion of some laboratory services are provided to outside organizations, not for direct patient care, of which Children's is reporting as UBI
		Schedule K, Part I, Line 1 Column A Health Care Facilities Revenue Bonds 1995B/2004A - Issuer of bond is City of Minneapolis, MN (41-6005375) and City of St Paul, MN (41-6005521)
		Schedule K, Part I, Line 2 Column A Health Care Facilities Revenue Bonds 2004B - Issuer of bond is City of Minneapolis, MN (41-6005375) and City of St Paul, MN (41-6005521)

Identifier	Return Reference	Explanation
		Schedule K, Part I, Line 3 Column A Health Care Facilities Revenue Bonds 2007A - Issuer of bond is City of Minneapolis, MN (41-6005375) and City of St Paul, MN (41-6005521)

Schedule R, Part V Children's engages in transactions with the following related tax-exempt organizations Children's Health Care Foundation and Children's Health Care Services, Inc d b a Children's - Minnetonka Children's reports the value of services, cash and other assets transferred between these tax-exempt related organizations at cost

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHILDREN'S HEALTH CARE

Employer identification number
41-1754276

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

(a) Name, address, and EIN 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
CHILDREN'S HEALTH INSURANCE NETWORK LTD PO BOX 30600 GRAND CAYMAN KY1-1203 CJ	INSURANCE	CJ	759,780	4,224,715	CHILDREN'S HEALTH CARE

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
CHILDREN'S HEALTH CARE SERVICES INC DBA MINNETONKA 2525 CHICAGO AVENUE SOUTH MINNEAPOLIS, MN 55404 41-1756478	HEALTHCARE	MN	501(C)(3)	3	CHILDREN'S HEALTH CARE
CHILDREN'S HEALTH CARE FOUNDATION 2525 CHICAGO AVENUE SOUTH MINNEAPOLIS, MN 554021844 41-1814223	HEALTHCARE	MN	501(C)(3)	7	CHILDREN'S HEALTH CARE

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

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

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

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

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

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**		**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**		**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**Yes**	
d	Loans or loan guarantees to or for other organization(s)	**1d**		**No**
e	Loans or loan guarantees by other organization(s)	**1e**		**No**
f	Sale of assets to other organization(s)	**1f**		**No**
g	Purchase of assets from other organization(s)	**1g**		**No**
h	Exchange of assets	**1h**		**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**Yes**	
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**		**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**		**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**Yes**	
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**		**No**
n	Sharing of paid employees	**1n**	**Yes**	
o	Reimbursement paid to other organization for expenses	**1o**	**Yes**	
p	Reimbursement paid by other organization for expenses	**1p**	**Yes**	
q	Other transfer of cash or property to other organization(s)	**1q**		**No**
r	Other transfer of cash or property from other organization(s)	**1r**	**Yes**	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	See Additional Data Table		
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1754276
Name: CHILDREN'S HEALTH CARE

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)
(1)	Children's Health Care Foundation	C	16,927,374
(2)	Children's Health Care Foundation	L	4,159,003
(3)	Children's Health Care Foundation	O	3,959,090
(4)	Children's Health Care Foundation	R	22,031,557
(5)	Children's Health Care Services Inc dba Children's-Minnetonka	I	35,695
(6)	Children's Health Care Services Inc dba Children's-Minnetonka	L	307,390
(7)	Children's Health Care Services Inc dba Children's-Minnetonka	N	325,011
(8)	Children's Health Care Services Inc dba Children's-Minnetonka	O	8,614,925
(9)	Children's Health Care Services Inc dba Children's-Minnetonka	P	7,168,332

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2009

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
CHILDREN'S HEALTH CARE	Form 990 Page 10	41-1754276

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	21	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	5,005
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	