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Form 990

## Return of Organization Exempt From Income Tax

2009

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

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

B Check if applicable	C Name of organization PHOENIX CHILDREN'S HOSPITAL		D Employer identification number 86-0422559
<input type="checkbox"/> Address change	Doing Business As		E Telephone number (602) 512-8132
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 1919 E THOMAS ROAD		G Gross receipts \$ 503,782,082
<input type="checkbox"/> Initial return	Room/suite		
<input type="checkbox"/> Terminated	City or town, state or country, and ZIP + 4 PHOENIX, AZ 85016		
<input type="checkbox"/> Amended return	F Name and address of principal officer ROBERT L MEYER 1919 E THOMAS ROAD PHOENIX, AZ 85015		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Application pending			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)

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

J Website: ► WWW.PHOENIXCHILDRENS.COM

K Form of organization  Corporation  Trust  Association  Other ► L Year of formation 1983 M State of legal domicile AZ

## Part I Summary

1 Briefly describe the organization's mission or most significant activities WE PROVIDE HOPE, HEALING AND THE BEST HEALTHCARE FOR CHILDREN AND THEIR FAMILIES	
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 15
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4 13
5 Total number of employees (Part V, line 2a) . . . . .	5 3,120
6 Total number of volunteers (estimate if necessary) . . . . .	6 400
7a Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a 0
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b 0

8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year 19,273,527	Current Year 12,009,927
9 Program service revenue (Part VIII, line 2g) . . . . .	397,637,404	392,461,328
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	-23,395,436	6,526,403
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,868,506	0
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	398,384,001	410,997,658

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	218,538,229	225,811,742
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .	163,647,675	182,489,438
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	382,185,904	408,301,180
19 Revenue less expenses Subtract line 18 from line 12 . . . . .	16,198,097	2,696,478

20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year 804,227,137	End of Year 825,955,781
21 Total liabilities (Part X, line 26) . . . . .	662,679,205	588,177,022
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	141,547,932	237,778,759

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
Signature of officer CRAIG MCKNIGHT CFO Type or print name and title		Date 2010-11-08

Paid Preparer's Use Only	Preparer's signature ►	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► ERNST & YOUNG US LLP TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004			EIN ►
				Phone no ► (602) 322-3000

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

### **Part III Statement of Program Service Accomplishment**

1 Briefly describe the organization's mission

WE PROVIDE HOPE, HEALING AND THE BEST HEALTHCARE FOR CHILDREN AND THEIR FAMILIES

**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 C.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes  N

If "Yes," describe these changes on Schedule C

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 \$ 347,035,846 including grants of \$ ) (Revenue \$ 392,461,328  
SEE SCHEDULE O

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
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**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
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**4e Total program service expenses** \$ 347,035.846

**Part IV Checklist of Required Schedules**

	<b>Yes</b>	<b>No</b>
<b>1</b> 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	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?	2 Yes	
<b>3</b> 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
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4 Yes	
<b>5</b> <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
<b>6</b> 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
<b>7</b> 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
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
<b>9</b> 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
<b>10</b> 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	
<b>11</b> 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. <ul style="list-style-type: none"> <li>• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.</li> <li>• 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.</li> </ul>	11 Yes	
<b>12</b> 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
<b>12a</b> Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
<i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	12a	Yes
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
<b>b</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	No
<b>15</b> 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
<b>16</b> 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
<b>17</b> 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
<b>18</b> 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
<b>19</b> 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
<b>20</b> 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		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? 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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? 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)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	Yes	
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	29		No
30	Did the organization receive more than \$25,000 in non-cash 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		No
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	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> All Form 990 filers are required to complete Schedule O	38	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	<b>1a</b>	160
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b>	0
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	3,120
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	<b>2b</b>	Yes
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>3a</b>	No
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>	
<b>4a</b>	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)?	<b>4a</b>	No
<b>4b</b>	If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts	<b>4b</b>	
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b>	No
<b>7b</b>		<b>7b</b>	
<b>7c</b>		<b>7c</b>	No
<b>7d</b>	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?	<b>7d</b>	
<b>7e</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7e</b>	No
<b>7f</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7f</b>	No
<b>7g</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7g</b>	
<b>7h</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7h</b>	
<b>7i</b>	If "Yes," did the organization pay premiums, directly or indirectly, on a personal benefit contract?	<b>7i</b>	
<b>7j</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7j</b>	
<b>7k</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7k</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	<b>9a</b>	
<b>9b</b>	Did the organization make any taxable distributions under section 4966?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	<b>10a</b>	
<b>10b</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10b</b>	
<b>10c</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10c</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	<b>11a</b>	
<b>11b</b>	Gross income from members or shareholders	<b>11b</b>	
<b>11c</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>11c</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

**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
<b>1a</b> Enter the number of voting members of the governing body . . .	<b>1a</b>	15	
<b>b</b> Enter the number of voting members that are independent . . .	<b>1b</b>	13	
<b>2</b> 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? . . . . .	<b>2</b>		No
<b>3</b> 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? . . . . .	<b>3</b>		No
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>		No
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>		No
<b>6</b> Does the organization have members or stockholders? . . . . .	<b>6</b>		No
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>		No
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>		No
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
<b>a</b> The governing body? . . . . .	<b>8a</b>	Yes	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	Yes	
<b>9</b> 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 . . . . .	<b>9</b>		No

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

		Yes	No
<b>10a</b> Does the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>		No
<b>b</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? . . . . .	<b>10b</b>		
<b>11</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11</b>	Yes	
<b>11A</b> Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	Yes	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	Yes	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	Yes	
<b>13</b> Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	Yes	
<b>14</b> Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	Yes	
<b>15</b> 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?			
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	Yes	
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>	Yes	
If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>		No
<b>b</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? . . . . .	<b>16b</b>		

### Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed ► AZ
- 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 ►  
 DENNIS BRUNS  
 1919 E THOMAS ROAD  
 PHOENIX, AZ 85016  
 (602) 512-8132

## **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.

<b>1b Total</b>	9,070,900	0	683,592
-----------------	-----------	---	---------

**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 **►309**

		<b>Yes</b>	<b>No</b>
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<b>3</b>	Yes
<b>4</b>	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	<b>4</b>	Yes
<b>5</b>	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	<b>5</b>	Yes

## 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

<b>(A)</b> Name and business address	<b>(B)</b> Description of services	<b>(C)</b> Compensation
KITCHELL 1707 E HIGHLAND STE 200 PHOENIX, AZ 85016	CONSTRUCTION	117,659,896
JOHNSON CONTROLS INC 111 CABIN GATE PEACHTREE, GA 30269	CONSTR & OUTSOURCING	17,218,356
SODEXO INC AFFILIATES 9801 WASHINGTON BLVD GAIITHERSBURG, MD 20878	OUTSOURCING	7,627,936
HKS INC 1919 MCKINNEY AVE DALLAS, TX 75201	ARCHITECT	4,555,197
PEDIATRIC SURGEONS OF PHOENIX 1920 E CAMBRIDGE AVENUE 201 PHOENIX, AZ 85006	MEDICAL SERVICES	3,063,335
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <b>►127</b>		

**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	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>				
	<b>d</b> Related organizations . . . . .	<b>1d</b>	12,009,927			
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		12,009,927			
Program Service Revenue	<b>2a</b> NET PATIENT SERVICE REV	Business Code				
		900,099	386,558,359	386,558,359		
	<b>b</b> OTHER OPERATING REVENUE	900,099	4,829,750	4,829,750		
	<b>c</b> RESEARCH REVENUE	541,700	1,073,219	1,073,219		
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .		392,461,328			
Other Revenue	<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .					
			4,190,366		4,190,366	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .		0			
	<b>5</b> Royalties . . . . .		0			
	<b>6a</b> Gross Rents	(i) Real	(ii) Personal			
	<b>b</b> Less rental expenses					
	<b>c</b> Rental income or (loss)					
	<b>d</b> Net rental income or (loss) . . . . .					
<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	95,103,129	17,332				
<b>b</b> Less cost or other basis and sales expenses	92,784,424					
<b>c</b> Gain or (loss)	2,318,705	17,332				
<b>d</b> Net gain or (loss) . . . . .			2,336,037		2,336,037	
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
<b>b</b> Less direct expenses . . . . .	<b>b</b>		0			
<b>c</b> Net income or (loss) from fundraising events . . . . .						
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>		0			
<b>c</b> Net income or (loss) from gaming activities . . . . .						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>		0			
<b>c</b> Net income or (loss) from sales of inventory . . . . .						
Miscellaneous Revenue	Business Code					
<b>11a</b>						
<b>b</b>						
<b>c</b>						
<b>d</b> All other revenue . . . . .						
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .		0				
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .		410,997,658	392,461,328	0	6,526,403	

**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	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	4,850,052	0	4,850,052	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages	179,508,426	163,714,904	15,793,522	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	4,998,811	4,439,068	559,743	0
9 Other employee benefits . . . . .	24,977,203	21,951,348	3,025,855	0
10 Payroll taxes . . . . .	11,477,250	10,198,322	1,278,928	0
11 Fees for services (non-employees)				
a Management . . . . .	0			
b Legal . . . . .	847,511	0	847,511	0
c Accounting . . . . .	364,957	0	364,957	0
d Lobbying . . . . .	285,005	285,005	0	0
e Professional fundraising See Part IV, line 17 . . . . .	0			
f Investment management fees . . . . .	0			
g Other . . . . .	43,541,303	32,589,905	10,951,398	0
12 Advertising and promotion . . . . .	2,914,157	253,750	2,660,407	0
13 Office expenses . . . . .	65,828,983	63,946,564	1,882,419	0
14 Information technology . . . . .	3,526,554	382,700	3,143,854	0
15 Royalties . . . . .	0			
16 Occupancy . . . . .	8,475,188	6,473,177	2,002,011	0
17 Travel . . . . .	57,989	52,641	5,348	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	3,014,300	2,001,950	1,012,350	0
20 Interest . . . . .	6,938,970	0	6,938,970	0
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	18,429,749	15,332,870	3,096,879	0
23 Insurance . . . . .	8,038,888	7,615,330	423,558	0
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 EQUIPMENT COSTS	10,234,259	9,029,924	1,204,335	0
b BAD DEBT EXPENSE	7,242,793	7,242,793	0	0
c ALL OTHER EXPENSES	2,748,832	1,525,595	1,223,237	0
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	408,301,180	347,035,846	61,265,334	0
26 Joint costs. Check here <input checked="" type="checkbox"/> 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**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	16,450,658	<b>1</b> 85,559,618
	2 Savings and temporary cash investments . . . . .	13,516,304	<b>2</b> 9,843,866
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	68,054,645	<b>4</b> 54,700,366
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>
	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 . . . . .		<b>6</b>
	7 Notes and loans receivable, net . . . . .	5,071,874	<b>7</b>
	8 Inventories for sale or use . . . . .	7,613,425	5,251,266
	9 Prepaid expenses and deferred charges . . . . .	10a	<b>9</b> 7,030,389
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	541,098,079	
	b Less accumulated depreciation . . . . .	10b	92,831,548
		291,236,871	<b>10c</b> 448,266,531
	11 Investments—publicly traded securities . . . . .	300,826,181	<b>11</b> 177,488,708
	12 Investments—other securities See Part IV, line 11 . . . . .	13,842,000	<b>12</b> 14,856,478
	13 Investments—program-related See Part IV, line 11 . . . . .	173,513	<b>13</b>
	14 Intangible assets . . . . .	87,441,666	<b>14</b> 0
	15 Other assets See Part IV, line 11 . . . . .	804,227,137	<b>15</b> 22,958,559
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	<b>16</b>	825,955,781
Liabilities	17 Accounts payable and accrued expenses . . . . .	72,838,826	<b>17</b> 71,406,824
	18 Grants payable . . . . .	18	
	19 Deferred revenue . . . . .	1,262,125	<b>19</b> 1,070,753
	20 Tax-exempt bond liabilities . . . . .	450,000,000	<b>20</b> 450,000,000
	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 . . . . .	2,385,815	<b>23</b> 1,447,381
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	5,000,000	<b>24</b> 5,000,000
	25 Other liabilities Complete Part X of Schedule D . . . . .	131,192,439	<b>25</b> 59,252,064
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	<b>26</b>	662,679,205 588,177,022
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	140,126,713	<b>27</b> 234,211,935
	28 Temporarily restricted net assets . . . . .	1,421,219	<b>28</b> 3,566,824
	29 Permanently restricted net assets . . . . .	29	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	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 . . . . .	141,547,932	<b>33</b> 237,778,759
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	<b>34</b>	804,227,137 825,955,781

**Part XI Financial Statements and Reporting**

- 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? . . . . .
- b** Were the organization's financial statements audited by an independent accountant? . . . . .
- 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 . . . . .
- 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? . . . . .
- 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 . . . . .

	<b>Yes</b>	<b>No</b>
<b>2a</b>		No
<b>2b</b>	Yes	
<b>2c</b>	Yes	
<b>3a</b>	Yes	
<b>3b</b>	Yes	

**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support****2009****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue ServiceComplete 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.

Name of the organization  
PHOENIX CHILDREN'S HOSPITAL

Employer identification number

86-0422559

**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
- e  a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- f  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)
- g  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
- h  Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- i  Provide the following information about the supported organization(s)

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

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

**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 <b>Total.</b> 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 <b>Public Support.</b> 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 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 <b>First Five Years</b> 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 <b>stop here</b>						►

**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 <b>33 1/3% support test—2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2008.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2008.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> 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						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (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						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						
<b>14 First Five Years</b> 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 <b>stop here</b>						

**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
<b>19a 33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>b 33 1/3% support tests—2008.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>20 Private Foundation</b> 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

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**SCHEDULE C**  
**(Form 990 or 990-EZ)****Political Campaign and Lobbying Activities****2009****Open to Public  
Inspection****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.

**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  
PHOENIX CHILDREN'S HOSPITAL

Employer identification number

86-0422559

**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 function activities ► \$ \_\_\_\_\_
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year?  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)).**

<b>A</b> Check <input type="checkbox"/> if the filing organization belongs to an affiliated group	<b>B</b> Check <input type="checkbox"/> if the filing organization checked box A and "limited control" provisions apply		
<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		<b>(a) Filing Organization's Totals</b>	<b>(b) Affiliated Group Totals</b>
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)		0	
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)		285,005	
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)		285,005	
<b>d</b> Other exempt purpose expenditures		346,750,841	
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)		347,035,846	
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000	
<b>If the amount on line 1e, column (a) or (b) is:</b> Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000		<b>The lobbying nontaxable amount is:</b> 20% of the amount on line 1e \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000	
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)		250,000	
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-			
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**4-Year Averaging Period Under Section 501(h)**

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

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	<b>(a) 2006</b>	<b>(b) 2007</b>	<b>(c) 2008</b>	<b>(d) 2009</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
<b>c</b> Total lobbying expenditures	228,958	255,972	223,113	285,005	993,048
<b>d</b> Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
<b>f</b> Grassroots lobbying expenditures	228,958	255,972	223,113	0	708,043

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> 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			
<b>a</b> Volunteers?			
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
<b>c</b> Media advertisements?			
<b>d</b> Mailings to members, legislators, or the public?			
<b>e</b> Publications, or published or broadcast statements?			
<b>f</b> Grants to other organizations for lobbying purposes?			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
<b>i</b> Other activities? If "Yes," describe in Part IV			
<b>j</b> Total lines 1c through 1i			
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
<b>3</b> 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".**

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> 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).	2a	
<b>a</b> Current year	2b	
<b>b</b> Carryover from last year	2c	
<b>c</b> Total	3	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
<b>4</b> 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?	5	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)		

**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 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation

2009

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)**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.

Department of the Treasury  
Internal Revenue Service**Name of the organization**  
PHOENIX CHILDREN'S HOSPITAL**Employer identification number**

86-0422559

**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
2a	
2b	
2c	
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

	<b>Amount</b>
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

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.

	<b>(a) Current Year</b>	<b>(b) Prior Year</b>	<b>(c) Two Years Back</b>	<b>(d) Three Years Back</b>	<b>(e) Four Years Back</b>
<b>1a</b> Beginning of year balance . . . . .	3,175,694	4,355,490			
<b>b</b> Contributions . . . . .	405	35,180			
<b>c</b> Investment earnings or losses . . . . .	450,093	-1,214,976			
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .	3,626,192	3,175,694			

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

a Board designated or quasi-endowment ► 0 % %

b Permanent endowment ► 100 000 % %

c Term endowment ► 0 % %

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

	<b>Yes</b>	<b>No</b>
<b>3a(i)</b>		
<b>3a(ii)</b>		

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.

	<b>Description of investment</b>	<b>(a) Cost or other basis (investment)</b>	<b>(b) Cost or other basis (other)</b>	<b>(c) Accumulated depreciation</b>	<b>(d) Book value</b>
<b>1a</b> Land . . . . .		36,876,951			36,876,951
<b>b</b> Buildings . . . . .		145,598,106	24,866,519		120,731,587
<b>c</b> Leasehold improvements . . . . .		30,643,164	3,575,554		27,067,610
<b>d</b> Equipment . . . . .		102,682,522	64,389,475		38,293,047
<b>e</b> Other . . . . .		225,297,336			225,297,336
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				►	448,266,531

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

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

**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.

**Total.** (Column (b) should equal Form 990, Part X, col (B) line 13)

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

**Total** (Column (b) should equal Form 990, Part X, col (B) line 15)

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

1	(a) Description of Liability	(b) Amount
	FEDERAL INCOME TAXES	0
	MARK TO MARKET LIABILITY	33,965,337
	DEFERRED COMPENSATION LIAB	7,980,227
	DUE TO MAYO - BMT PROGRAM	241,914
	MISC LIABILITIES	1,437,184
	CAPTIVE LIABILITY	3,157,572
	CONSTRUCTION RETAINAGE	7,880,170
	ROSENBERG LT LIABILITY	4,589,660

**Total. (Column (b) should equal Form 990, Part X, col (B) line 25 )** **59,252,064**

**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
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year Subtract line 2 from line 1	3
4 Net unrealized gains (losses) on investments	4
5 Donated services and use of facilities	5
6 Investment expenses	6
7 Prior period adjustments	7
8 Other (Describe in Part XIV)	8
9 Total adjustments (net) Add lines 4 - 8	9
10 Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

**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
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a Net unrealized gains on investments . . . . .	2a
b Donated services and use of facilities . . . . .	2b
c Recoveries of prior year grants . . . . .	2c
d Other (Describe in Part XIV) . . . . .	2d
e Add lines 2a through 2d . . . . .	2e
3 Subtract line 2e from line 1 . . . . .	3
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a
b Other (Describe in Part XIV) . . . . .	4b
c Add lines 4a and 4b . . . . .	4c
5 Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5

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

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

**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
INTENDED USE OF ENDOWMENT FUNDS		PHOENIX CHILDREN'S HOSPITAL FOUNDATION, A RELATED TAX-EXEMPT ORGANIZATION, HOLDS ENDOWMENT FUNDS THAT ARE USED TO PROVIDE ONGOING OUTSTANDING PEDIATRIC CARE TO CHILDREN, BY ENABLING PHOENIX CHILDREN'S HOSPITAL TO OFFER THE VERY BEST TECHNOLOGY, PROGRAMS AND MEDICAL SPECIALISTS ENDOWMENT FUNDS WILL BE USED TO SUPPORT PHOENIX CHILDREN'S HOSPITAL PROGRAMS INCLUDING * THE CHILDREN'S NEUROSCIENCES INSTITUTE * THE CENTER FOR CANCER AND BLOOD DISORDERS * CAMP RAINBOW, A CAMP FOR CHILDREN WITH DIABETES, HEMOPHILIA AND KIDNEY DISEASE * THE CENTER FOR PEDIATRIC ORTHOPEDICS * PULMONARY AND CYSTIC FIBROSIS * PEDIATRIC RHEUMATOLOGY * PEDIATRIC ONCOLOGY

SCHEDULE H  
(Form 990)

## Hospitals

OMB No 1545-0047

2009

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceName of the organization  
PHOENIX CHILDREN'S HOSPITAL

Employer identification number

86-0422559

## Part I Charity Care and Certain Other Community Benefits at Cost

- 1a Does the organization have a charity care policy? If "No," skip to question 6a . . . . .
- b If "Yes," is it a written policy? . . . . .
- 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 \_\_\_\_\_
- 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 \_\_\_\_\_
- 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"? . . . . .
- 5a Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . . .
- b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .
- 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 eligible for free or discounted care? . . . . .
- 6a Does the organization prepare an annual community benefit report? . . . . .
- 6b If "Yes," does the organization make it available to the public? . . . . .
- Complete the following table using the worksheets provided in the Schedule H Instructions. Do not submit these worksheets with the Schedule H

	Yes	No
1a	Yes	
1b	Yes	
3a	Yes	
3b	Yes	
4	Yes	
5a	Yes	
5b	Yes	
5c		No
6a	Yes	
6b	Yes	

## 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) . . . . .			3,910,845	0	3,910,845	0 960 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .			213,325,866	182,915,999	30,409,867	7 450 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .			2,118,811	891,519	1,227,792	0 300 %
d Total Charity Care and Means-Tested Government Programs . . . . .			219,355,522	183,807,518	35,548,504	8 710 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			7,989,203	6,759,802	1,229,401	0 300 %
f Health professions education (from Worksheet 5) . . . . .			7,930,720	6,502,426	1,428,294	0 350 %
g Subsidized health services (from Worksheet 6) . . . . .			9,609,209	2,324,087	7,285,122	1 780 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .			294,093	0	294,093	0 070 %
j Total Other Benefits . . . . .			25,823,225	15,586,315	10,236,910	2 500 %
k Total. Add lines 7d and 7j . . . . .			245,178,747	199,393,833	45,785,414	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
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support			557,448	437,172	120,276	0 030 %
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy			2,596,157	262,730	2,333,427	0 570 %
<b>8</b> Workforce development						
<b>9</b> Other						
<b>10 Total</b>			3,153,605	699,902	2,453,703	0 600 %

**Part III Bad Debt, Medicare, & Collection Practices**
**Section A. Bad Debt Expense**

- 1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? . . . . .
- 2 Enter the amount of the organization's bad debt expense (at cost) . . . . .
- 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 . . . . .
- 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

	Yes	No
<b>1</b>	Yes	
<b>2</b>	2,540,142	
<b>3</b>	0	
<b>4</b>		
<b>5</b>	1,026,340	
<b>6</b>	2,554,678	
<b>7</b>	-1,528,338	
<b>9a</b>		No
<b>9b</b>		

**Section B. Medicare**

- 5 Enter total revenue received from Medicare (including DSH and IME) . . . . .
- 6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .
- 7 Subtract line 6 from line 5 This is the surplus or (shortfall) . . . . .
- 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? . . . . .
- 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 . . . . .

**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 %
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>4</b>					
<b>5</b>					
<b>6</b>					
<b>7</b>					
<b>8</b>					
<b>9</b>					
<b>10</b>					
<b>11</b>					
<b>12</b>					
<b>13</b>					
<b>14</b>					

**Part V Facility Information**

Name and address	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical	Licensed hospital	Other (Describe)
PHOENIX CHILDREN'S HOSPITAL 1919 E THOMAS ROAD PHOENIX, AZ 85019		X							X
PHOENIX CHILDREN'S HOSPITAL 10210 N 92ND STREET SCOTTSDALE, AZ 85258									SCOTTSDALE CLINIC
PHOENIX CHILDREN'S HOSPITAL 5131 E SOUTHERN AVENUE MESA, AZ 85205									EAST VALLEY URGENT CARE
PHOENIX CHILDREN'S HOSPITAL 5757 W THUNDERBIRD GLENDALE, AZ 85306									WEST VALLEY CLINIC
PHOENIX CHILDREN'S SURGERY CENTER 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006									SURGERY CENTER
PHOENIX CHILDREN'S HOSPITAL 20325 N 51ST AVE GLENDALE, AZ 85308									SPECIALTY & URGENT CARE CENTER
PHOENIX CHILDREN'S HOSPITAL 1641 E OSBORN RD PHOENIX, AZ 85016									ORTHOPEDIC SURGERY CENTER
PHOENIX CHILDREN'S HOSPITAL 1111 E McDOWELL RD PHOENIX, AZ 85006									NEONATAL INTENSIVE CARE UNIT AT GSMC

**Part VI Supplemental Information**

**1 Provide the description required for Part I, line 30, Line 4, Part III, Line 8, Part III, Line 9b, and Part**

- line 4, Part III, line 8, Part III, line 9 b, and Part V. See Instructions

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SEANIGS

CHARGE RATIO IS CONSIDERED CHARITY CARE THE COSTS WERE CALCULATED USING THE COST TO CHARGE RATIO FROM THE MOST RECENTLY FILED MEDICARE COST REPORT

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ON OUR CHARITY POLICY INFORMATION REGARDING THE CHARITY CARE POLICY IS AVAILABLE ON OUR WEB SITE FINANCIAL COUNSELORS INTERVIEW PARENTS OF CHILDREN WHO ARE UNINSURED AND UNDERINSURED AHCCCS APPLICATIONS ARE INITIATED BY PCH ON BEHALF OF THE PATIENTS AND IF THE PARENTS DO NOT QUALIFY, FINANCIAL COUNSELORS PROCEE WITH THE FINANCIAL ASSISTANCE PROCESS

- constituents it serves. PCH HAS DEVELOPED SIGNATURE COMMUNITY OUTREACH PROGRAMS THAT SERVE SPECIFIC POPULATIONS WITH SERIOUS HEALTHCARE NEEDS AND LIMITED ACCESS TO CARE. ONE EXAMPLE IS THE CREWS'N HEALTHMOBILE MOBILE MEDICAL VAN THAT SERVES HOMELESS YOUTH. IN ADDITION, PCH HAS IDENTIFIED THREE MAJOR AREAS OF FOCUS FOR COMMUNITY OUTREACH AND EDUCATION: INJURY PREVENTION, HEALTHY CHILDREN AND FAMILIES, AND CHILD ABUSE PREVENTION. PCH

- SPONSORS AND ADMINISTERS MULTIPLE PROGRAMS IN THESE THREE CATEGORIES BASED ON STATISTICS GATHERED BY THE ANN E CASEY KIDS COUNT SURVEY, THE STATE OF ARIZONA HAS A POPULATION OF OVER 13 MILLION PEOPLE UNDER THE AGE OF 18, 35% OF WHICH ARE 5 YEARS AND UNDER. THE SAME POPULATION IS 46% WHITE AND 40% HISPANIC ACCORDING TO THE SURVEY. THERE WERE 621,000 CHILDREN ENROLLED IN MEDICAID. AN ESTIMATED 257,442 CHILDREN UNINSURED AND

TO THE SURVEY, THERE WERE 621,000 CHILDREN ENROLLED IN MEDICAID, AN ESTIMATED 257,442 CHILDREN UNINSURED AND AN ESTIMATED 190,507 CHILDREN UNINSURED BUT ELIGIBLE FOR MEDICAID 273,390 OR 20% OF CHILDREN WERE AT OR BELOW THE FEDERAL POVERTY LEVEL AND 464,762 AT OR BELOW 150% FEDERAL POVERTY LEVEL

- DESIGNED TO IMPROVE COMMUNICATION AND SAFETY FOR PATIENTS AND THEIR FAMILIES ATTENDEES WERE TRAINED IN TEACHING BILINGUAL HEALTHCARE WORKERS MEDICAL TERMS, INTERPRETING PROTOCOL AND MULTICULTURAL

UNDERSTANDING SINCE 2001, THE HOSPITAL HAS TRAINED NEARLY 1,000 STUDENTS IN MEDICAL TERMINOLOGY, INTERPRETING ETHICS, LEADERSHIP, CULTURAL DIFFERENCES AND TEAM BUILDING CHILD ABUSE PREVENTION AT LEAST FOUR U.S. CHILDREN DIE AS A RESULT OF CHILD ABUSE IN THE HOME EACH DAY ACCORDING TO THE ARIZONA DEPARTMENT OF HEALTH, 65 ARIZONA CHILDREN DIED AS A RESULT OF MALTREATMENT IN 2007 (THE MOST RECENT YEAR FOR WHICH NUMBERS ARE AVAILABLE) - THE OVERWHELMING MAJORITY OF THESE VICTIMS ARE UNDER THE AGE OF FIVE CHILD ABUSE AND NEGLECT ARE PREVENTABLE, YET EACH YEAR IN THE UNITED STATES, CLOSE TO ONE MILLION CHILDREN ARE CONFIRMED VICTIMS OF CHILD MALTREATMENT THE COSTS OF RESPONDING TO THE IMPACT OF CHILD ABUSE AND NEGLECT ARE BORN NOT ONLY BY THE VICTIMS AND THEIR FAMILIES BUT ALSO BY OUR COMMUNITY A RECENT REPORT BY THE PEW CHARITABLE TRUSTS ESTIMATES THE ANNUAL COST OF CHILD ABUSE AND NEGLECT IS AN ASTOUNDING \$103.8 BILLION NATIONWIDE EVERY APRIL IS CHILD ABUSE PREVENTION MONTH AND PHOENIX CHILDREN'S IS A LEADER IN THE COMMUNITY IN PROMOTING THE MESSAGE OF PREVENTION NO ONE CAN DO EVERYTHING -- NO ONE PARENT, GRANDPARENT, TEACHER, NEIGHBOR, ELECTED OFFICIAL, AGENCY OR INDIVIDUAL BUT EVERYONE CAN DO SOMETHING THROUGHOUT THE MONTH OF APRIL A VARIETY OF EVENTS TAKE PLACE FOCUSING ON PREVENTION ACTIVITIES INCLUDE THE ANNUAL CHILDREN'S MARCH ON CHILD ABUSE.

- EVENTS TAKE PLACE FOCUSING ON PREVENTION ACTIVITIES INCLUDE THE ANNUAL CHILDREN'S MARCH ON CHILD ABUSE, "PROMISES FOR PARENTS" CAMPAIGN, PRESS CONFERENCE, AND A BLUE RIBBON NEWS CONFERENCE. PHOENIX CHILDREN'S HOSPITAL IS A LEADER IN SHARING THE MESSAGE THAT PREVENTION WORKS BUT WE ARE COMMITTED TO REDUCING THE RISK OF ABUSE FOR CHILDREN IN OUR COMMUNITY THROUGHOUT THE YEAR. PHOENIX CHILDREN'S REACHES OUT TO

PARENTS, TEACHERS AND OTHER PROFESSIONALS CARING FOR CHILDREN AND FAMILIES BY OFFERING A NUMBER OF PREVENTION PROGRAMS THAT ADDRESS ALL TYPES OF MALTREATMENT, INCLUDING SHAKEN BABY SYNDROME AND CHILD SEXUAL ABUSE INJURY PREVENTION EACH YEAR, MORE THAN 6,500 U.S. CHILDREN UNDER THE AGE OF 14 ARE KILLED BY PREVENTABLE INJURIES, MEANING SOMEONE COULD HAVE DONE SOMETHING TO CHANGE THE CIRCUMSTANCES THAT LED TO THE CHILD'S DEATH. THE FOLLOWING PROGRAMS ADDRESS THE CHALLENGE OF INJURY PREVENTION IN OUR COMMUNITY: DROWNING AWARENESS AND PREVENTION WITH THE HELP OF A VERY SPECIAL FAMILY, PHOENIX CHILDREN'S DEVELOPED WATER WATCHERS, A SIGNATURE INJURY PREVENTION PROGRAM TO COUNTER THE EPIDEMIC OF CHILD DROWNINGS IN OUR DESERT CITY. FOR THE COMMUNITY AND THE WATER WATCHERS PROGRAM, 2008 WAS A YEAR OF MANY HIGHS AND LOWS. THE FAMILY OF WESTON LETTER RECOGNIZED THE TEN YEAR ANNIVERSARY OF HIS DEATH AT THE AGE OF THREE AND A HALF. HE DROWNED IN HIS FAMILY'S BACKYARD SWIMMING POOL. THE WATER WATCHERS PROGRAM WAS DEVELOPED IN HIS HONOR. THE ACCOMPLISHMENTS OF THE PROGRAM BRING HIS FAMILY COMFORT - TEACHING THE COMMUNITY THAT TRAGEDY KNOWS NO BOUNDARIES IS IMPORTANT, AND PROVIDING FAMILIES WITH REAL-LIFE SOLUTIONS TO KEEPING CHILDREN SAFE AROUND WATER HELPS THEM TO KNOW THAT THEY'VE MADE A DIFFERENCE AND THE WATER WATCHERS PROGRAM DID MAKE A DIFFERENCE IN THE COMMUNITY. AT WATER SAFETY DAY, 1,200 FIRST GRADERS FROM AROUND THE COMMUNITY LEARNED HANDS-ON ABOUT THE STEPS THEY CAN TAKE TO PROTECT THEMSELVES AND OTHERS FROM DROWNING. THE EVENT IS THE OFFICIAL KICKOFF TO SWIM SEASON, AND MARKS ONE OF THE HIGHEST LEVELS OF DROWNING PREVENTION COLLABORATION SEEN IN THE VALLEY ACROSS THE VALLEY, MANY SCHOOLS DOWNLOADED AND UTILIZED FREE WATER WATCHERS CURRICULUM TO EDUCATE CHILDREN ABOUT THE DANGERS OF DROWNINGS. CURRICULUM MATERIALS WERE PROVIDED TO MORE THAN 100 SCHOOLS DURING DROWNING IMPACT AWARENESS MONTH, MORE THAN 50,000 PURPLE RIBBONS WERE DISTRIBUTED AROUND THE STATE OF ARIZONA. THE RIBBONS SERVED BOTH AS A REMINDER OF THE DANGER OF DROWNINGS AND AS A WAY TO REMEMBER CHILDREN THAT WE HAVE LOST. ADDITIONALLY, NEARLY THIRTY COMMUNITIES PASSED "DROWNING IMPACT AWARENESS MONTH" PROCLAMATIONS DURING THE MONTH OF AUGUST. WORKING WITH THE MEDIA REGULARLY, THE WATER WATCHERS PROGRAM HELPS FAMILIES TO UNDERSTAND HOW DROWNINGS OCCUR, AND TO RECOGNIZE NEW TRENDS IN INCIDENTS AND PREVENTION STRATEGIES THROUGHOUT THE VALLEY. WATER WATCHERS REPRESENTATIVES ATTENDED COMMUNITY EVENTS, PROVIDED SUPPLIES, AND GAVE EDUCATIONAL PRESENTATIONS TO MORE THAN 4,000 FAMILIES ON A LOCAL AND NATIONAL LEVEL. WATER WATCHERS REPRESENTATIVES SUPPORT DROWNING PREVENTION ORGANIZATIONS LIKE THE NATIONAL DROWNING PREVENTION ALLIANCE, ACTING AS AN ADVOCATE FOR FAMILIES TOUCHED BY DROWNING AND HELPING TO ADVANCE EDUCATION ABOUT PREVENTION ACROSS AMERICA. HELMET YOUR BRAIN ACCORDING TO THE MOST RECENT ARIZONA YOUTH RISK BEHAVIOR SURVEY, 87 PERCENT OF STUDENTS WHO RODE A BICYCLE DURING THE PREVIOUS 12 MONTHS REPORTED THAT THEY NEVER OR RARELY WORE A BICYCLE HELMET. WHILE WEARING A HELMET WON'T PREVENT A CRASH, IT CAN PREVENT LIFE-LONG DISABILITY - OR EVEN DEATH. WEARING A HELMET REDUCES THE RISK OF SERIOUS BRAIN INJURY BY 88 PERCENT. NEARLY HALF OF ALL BIKE-RELATED HOSPITALIZATIONS HAVE A DIAGNOSIS OF TRAUMATIC BRAIN INJURY. THE GOAL OF PHOENIX CHILDREN'S "HELMET YOUR BRAIN" PROGRAM IS TO GET CHILDREN INTO THE HELMET HABIT EARLY. TEACHING CHILDREN ABOUT HELMETS GIVES THEM THE INFORMATION NEEDED TO MAKE HEALTHIER CHOICES. A "HELMET YOUR BRAIN" PROGRAM BOX AND CURRICULUM IS AVAILABLE FREE TO SCHOOLS AND COMMUNITY ORGANIZATIONS. BICYCLE "DRIVER" EDUCATION MORE THAN 80 PERCENT OF BICYCLE-RELATED FATALITIES INVOLVING CHILDREN UNDER THE AGE OF 14 ARE DUE TO THE BICYCLIST'S BEHAVIOR. BICYCLE "DRIVER" EDUCATION IS SIMILAR TO DRIVER'S EDUCATION, BUT THE VEHICLE IS A BIKE, SKATEBOARD OR SCOOTER. TEACHING CHILDREN HOW TO THINK, BEHAVE AND RESPOND LIKE A "DRIVER" ADDS A NEW DIMENSION OF RESPONSIBILITY TO RIDING A BICYCLE. THIS CURRICULUM PROVIDED BY PHOENIX CHILDREN'S TEACHES MIDDLE SCHOOL STUDENTS ACROSS THE VALLEY HOW TO PREVENT ACCIDENTS, HOW TO CROSS INTERSECTIONS, OBEY TRAFFIC SIGNALS, RIDE SAFELY AT NIGHT AND MAKE SAFE DECISIONS IN TRAFFIC. KIDS RIDE SAFE IN ARIZONA. MOTOR VEHICLE COLLISIONS ARE THE MOST COMMON CAUSE OF PREVENTABLE DEATHS OF CHILDREN. USING A SAFETY SEAT DRastically REDUCES A CHILD'S RISK OF INJURY OR DEATH. THE RIDE SAFE PROGRAM REACHES OUT TO PARENTS ABOUT THE IMPORTANCE AND CORRECT USE OF CAR SEATS. BOOSTER SEATS AND RESTRAINTS. PHOENIX CHILDREN'S PARTNERS WITH "SAFE KIDS," AS WELL AS LOCAL FIRE AND POLICE DEPARTMENTS TO HOST COMMUNITY CAR SEAT CHECKS. OUR TRAINED TECHNICIANS CHECK CAR SEAT INSTALLATIONS, TRAIN PARENTS AND, IN SOME CASES, DISTRIBUTE DONATED CAR SEATS.

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.)

PCH HAS DEVELOPED SIGNATURE COMMUNITY OUTREACH PROGRAMS THAT SERVE SPECIFIC POPULATIONS WITH SERIOUS HEALTHCARE NEEDS AND LIMITED ACCESS TO CARE. ONE EXAMPLE IS THE CREWS'N HEALTHMOBILE MOBILE MEDICAL VAN THAT SERVES HOMELESS YOUTH. IN ADDITION, PCH HAS IDENTIFIED THREE MAJOR AREAS OF FOCUS FOR COMMUNITY OUTREACH AND EDUCATION: INJURY PREVENTION, HEALTHY CHILDREN AND FAMILIES, AND CHILD ABUSE PREVENTION. PCH SPONSORS AND ADMINISTERS MULTIPLE PROGRAMS IN THESE THREE CATEGORIES. SUBSIDIZED PROGRAMS PCH SUBSIDIZES CERTAIN MEDICAL PROGRAMS WHERE WE ARE UNIQUELY QUALIFIED TO PROVIDE THE CARE OR WHERE PATIENTS HAVE LIMITED ACCESS TO CARE. EXAMPLES INCLUDE THE BILL HOLT HIV/AIDS CLINIC AND THE HEALTHY STEPS PROGRAM. EDUCATION CONTINUING EDUCATION FOR TODAY'S PHYSICIANS AND NURSES, AS WELL AS EDUCATING THE NEXT GENERATION OF HEALTHCARE PROVIDERS IS A PRIME FOCUS FOR PCH. CONTINUING MEDICAL EDUCATION PROGRAMS INCLUDE RESIDENCY AND FELLOWSHIP TRAINING, A SERIES OF CLINICAL EDUCATION PROGRAMS, AND THE HOSPITAL PREMIER PROGRAM -- GAPP, WHICH PROVIDES SPECIALIZED TRAINING TO NURSES WHO ARE NEW TO PEDIATRICS RESEARCH. PCH'S CLINICIANS CONDUCTED RESEARCH STUDIES TO ADVANCE MEDICAL KNOWLEDGE. THE INSTITUTIONAL REVIEW BOARD PROVIDES INSTITUTIONAL INFRASTRUCTURE TO SUPPORT RESEARCH EFFORTS AT PCH, AS WELL AS IN COLLABORATION WITH OTHER INSTITUTIONS SUCH AS MAYO CLINIC, UNIVERSITY OF ARIZONA SCHOOL OF MEDICINE, AND TRANSLATIONAL GENOMICS RESEARCH INSTITUTE. ADVOCACY PCH IS A POWERFUL ADVOCATE FOR CHILDREN ON THE NATIONAL, STATE, AND LOCAL STAGES. PCH LEADERSHIP AND MANY PHYSICIANS SERVE ON BOARDS, COMMISSIONS, AND COMMITTEES AND USE

- THEIR EXPERTISE TO THE BENEFIT OF OUR COMMUNITY AT LARGE IN 2009, TRANSPARENCY IN FINANCES AND QUALITY FOCI FOR THIS AREA COMMUNITY BENEFIT OPERATIONS PCH UNDERWRITES THE ADMINISTRATIVE COSTS OF MANAGING COMMUNITY BENEFIT PROGRAMS AND CONTRIBUTES TIME, MEETING SPACE, AND OTHER RESOURCES THAT ENHANCE THE ABILITY OF OUR COMMUNITY'S MOST EFFECTIVE COMMUNITY SERVICE PROGRAMS TO MEET HUMAN NEEDS SCOP

ABILITY OF OUR COMMUNITY'S MOST EFFECTIVE COMMUNITY SERVICE PROGRAMS TO MEET HUMAN NEEDS. SCOPE OF SERVICES PHOENIX CHILDREN'S IS A PEDIATRIC MEDICAL CENTER THAT PROVIDES SPECIALTY AND SUB-SPECIALTY INPATIENT, OUTPATIENT, AND EMERGENCY CARE TO PATIENTS THROUGHOUT ARIZONA, EXTENDING TO OTHER SOUTHWESTERN STATES AND BEYOND. THE HOSPITAL'S PRIMARY SERVICE AREA (PSA) REPRESENTS THE GREATEST METROPOLITAN PHOENIX AREA IN MARICOPA COUNTY, WHICH ACCOUNTS FOR MORE THAN 80 PERCENT OF INPATIENT CASES AS ARIZONA'S ONLY LICENSED CHILDREN'S HOSPITAL. PHOENIX CHILDREN'S PLAYS A VITAL ROLE IN OUR COMMUNITY, OUR STATE, AND OUR NATION.

AS ARIZONA'S ONLY LICENSED CHILDREN'S HOSPITAL, PHOENIX CHILDREN'S PLAYS A VITAL ROLE IN OUR COMMUNITY OUR HOSPITAL IS ONE OF ARIZONA'S "SAFETY NET HOSPITALS," WHICH PROVIDE A SIGNIFICANT LEVEL OF CARE TO LOW-INCOME, UNINSURED, AND VULNERABLE POPULATIONS AMONG THESE, PHOENIX CHILDREN'S IS THE SINGLE LARGEST PROVIDER OF PEDIATRIC SERVICES TO LOW-INCOME CHILDREN IN ARIZONA IN FACT, 54 PERCENT OF OUR PATIENTS ARE MEDICAID BENEFICIARIES THIS IS REFLECTIVE OF OUR COMMUNITY AT LARGE, PLEASE SEE APPENDIX C FOR A DEMOGRAPHIC OVERVIEW OF OUR COMMUNITY

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2009****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

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.**

**Name of the organization**  
PHOENIX CHILDREN'S HOSPITAL**Employer identification number**

86-0422559

**Part I Questions Regarding Compensation**

Yes No

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

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

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

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

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

- |                                                                         |                                                                                     |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

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

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

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

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

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

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

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

**a** The organization?

**b** Any related organization?

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

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

**a** The organization?

**b** Any related organization?

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

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

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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

**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.

**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
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J, PART III	<p>LINE 4A) SEVERANCE PAYMENTS LARRY SMITH RECEIVED SEVERANCE PAY OF \$250,654 DANIEL CLOUD RECEIVED SEVERANCE PAY OF \$117,444 LINE 4B) PHOENIX CHILDREN'S HOSPITAL (PCH) OFFERS A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) TO CERTAIN EXECUTIVES OF THE ORGANIZATION. ELIGIBLE PARTICIPANTS ARE SELECTED BY THE PCH BOARD OF DIRECTORS. PARTICIPANT VESTING OCCURS UPON RETIREMENT, DISABILITY BEFORE SEPARATION, INVOLUNTARY SEPARATION (OTHER THAN FOR CAUSE) OR DEATH. THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE PCH SERP PLAN AND HAD DEFERRED CONTRIBUTIONS DURING 2009: ROBERT MEYER - \$140,032 DEBORAH WESLEY - \$31,832 TOM DIEDERICH - \$22,800 BETSY KUZAS - \$22,800 CARMEN NEUBERGER - \$27,729 ROBERT SARNECKI - \$17,890 DERRICK PARKER - \$2,400 EDWARD TROELL, JR. - \$9,119 COMPENSATION FOOTNOTES: ELIZABETH ZORN, M.D. AND BRUCE MORGENSEN, M.D. RECEIVED COMPENSATION FOR MEDICAL SERVICES RENDERED IN THE CAPACITY OF PRESIDENT AND IMMEDIATE PAST PRESIDENT (RESPECTIVELY) OF THE MEDICAL STAFF, NOT FOR THEIR DUTIES AS BOARD MEMBERS. ROBERT L. MEYER, DEBORAH E. WESLEY, MURRAY M. POLLACK, M.D., ROBERT SARNECKI, DERRICK E. PARKER, BETSY G. KUZAS, THOMAS J. DIEDERICH, CARMEN L. NEUBERGER, AND EDWARD C. TROELL, JR. WERE ELIGIBLE FOR THE EXECUTIVE INCENTIVE PLAN OF PHOENIX CHILDREN'S HOSPITAL IN WHICH ONE OF THE PERFORMANCE MEASURES WAS EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTIZATION. THIS INCENTIVE PLAN WAS APPROVED BY THE COMPENSATION COMMITTEE. ROBERT L. MEYER ALSO HAD A PERFORMANCE MEASUREMENT IN THE INCENTIVE PLAN RELATED TO THE FUNDRAISING RESULTS OF PHOENIX CHILDREN'S HOSPITAL FOUNDATION.</p>

**Software ID:**  
**Software Version:**  
**EIN:** 86-0422559  
**Name:** PHOENIX CHILDREN'S HOSPITAL

**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)(1)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ELIZABETH ZORN MD	(i) 297,785 (ii) 0	56,807 0	10,591 0	9,800 0	17,368 0	392,351 0	0 0
BRUCE MORGENSTERN MD	(i) 186,608 (ii) 0	20,306 0	2,287 0	8,276 0	20,732 0	238,209 0	0 0
ROBERT L MEYER	(i) 657,806 (ii) 0	262,971 0	17,546 0	149,832 0	18,247 0	1,106,402 0	0 0
SHANE BROPHY	(i) 310,864 (ii) 0	0 0	0 0	0 0	0 0	310,864 0	0 0
DEBORAH E WESLEY	(i) 356,808 (ii) 0	118,286 0	13,708 0	41,632 0	17,610 0	548,044 0	0 0
MURRAY M POLLACK MD	(i) 441,577 (ii) 0	151,337 0	58,913 0	9,800 0	11,815 0	673,442 0	0 0
ROBERT SARNECKI	(i) 229,308 (ii) 0	66,200 0	13,725 0	27,690 0	15,589 0	352,512 0	0 0
DERRICK E PARKER	(i) 178,096 (ii) 0	60,000 0	12,986 0	9,524 0	12,643 0	273,249 0	0 0
BETSY G KUZAS	(i) 257,308 (ii) 0	74,550 0	14,216 0	32,600 0	5,664 0	384,338 0	0 0
THOMAS J DIEDERICH	(i) 257,308 (ii) 0	74,550 0	15,751 0	32,600 0	21,822 0	402,031 0	0 0
CARMEN L NEUBERGER	(i) 242,308 (ii) 0	67,691 0	10,678 0	37,529 0	6,161 0	364,367 0	0 0
EDWARD C TROELL JR	(i) 182,923 (ii) 0	44,730 0	16,879 0	18,226 0	4,432 0	267,190 0	0 0
PHILIP ADELSON MD	(i) 915,261 (ii) 0	0 0	9,256 0	9,800 0	22,876 0	957,193 0	0 0
S DAVID MOSS MD	(i) 741,131 (ii) 0	20,399 0	11,172 0	9,800 0	22,494 0	804,996 0	0 0
RICHARD B TOWBIN MD	(i) 535,962 (ii) 0	207,105 0	16,430 0	9,800 0	17,845 0	787,142 0	0 0
JEFFREY M PEARL MD	(i) 615,000 (ii) 0	56,890 0	10,148 0	6,619 0	22,569 0	711,226 0	0 0
LEE S SEGAL MD	(i) 525,000 (ii) 0	119,978 0	5,784 0	9,800 0	22,397 0	682,959 0	0 0
DANIEL T CLOUD MD	(i) 0 (ii) 0	0 0	117,444 0	0 0	0 0	117,444 0	0 0
LARRY J SMITH	(i) 0 (ii) 0	129,879 0	250,654 0	0 0	0 0	380,533 0	0 0

**Schedule K  
(Form 990)**

OMB No 1545-0047

**Supplemental Information on Tax Exempt Bonds****2009**

► 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.

**Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

Name of the organization

PHOENIX CHILDREN'S HOSPITAL

Employer identification number

86-0422559

**Part I Bond Issues**

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased	(h) On Behalf of Issuer		
							Yes	No	Yes	No
A	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040506KZ9	01-31-2007	350,000,000	CAMPUS EXPANSION-SERIES A & B		X		X
B	ARIZONA HEALTH FACILITIES AUTHORITY	86-0453292	040506LB1	01-31-2007	100,000,000	SEE SCHEDULE O		X		X

**Part II Proceeds**

		A	B	C	D	E
1	Total proceeds of issue	358,940,100	100,011,291			
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows	85,676,857	85,676,857			
4	Other unspent proceeds					
5	Issuance costs from proceeds	2,280,950	651,700			
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	347,719,050	13,671,443			
8	Year of substantial completion	2011	2011			
		Yes	No	Yes	No	Yes
9	Were the bonds issued as part of a current refunding issue?	X	X			
10	Were the bonds issued as part of an advance refunding issue?	X		X		
11	Has the final allocation of proceeds been made?	X		X		
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		

**Part III Private Business Use**

	A	B	C	D	E
	Yes	No	Yes	No	Yes
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	
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	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						
3b Are there any research agreements with respect to the financed property which may result in private business use?		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						
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		1 000 %		1 000 %						
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 %		0 %						
6 Total of lines 4 and 5		1 000 %		1 000 %						
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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						
2 Is the bond issue a variable rate issue?	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							
b Name of provider		MERRILL LYNCH		MERRILL LYNCH						
c Term of hedge		32 8		35						
4a Were gross proceeds invested in a GIC?	X		X							
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?	X		X							
6 Did the bond issue qualify for an exception to rebate?	X		X							

**Schedule L**  
(Form 990 or 990-EZ)**Transactions with Interested Persons**

OMB No 1545-0047

► 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.

**2009****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service**Name of the organization**  
PHOENIX CHILDREN'S HOSPITAL**Employer identification number**

86-0422559

**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?	(c) Original principal amount	(d) Balance due	(e) In default?	(f) Approved by board or committee?	(g) Written agreement?
	To      From			Yes      No	Yes      No	Yes      No

Total . . . . . ► \$ \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_

**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
SHANE BROPHY	OFFICER	310,864	CFO SERVICES	No
JENNIFER M RISPOLI	DAUGHTER OF CEO	40,429	EMPLOYEE OF PCH	No
MARY E MURPHY	SPOUSE OF DIRECTOR	68,097	EMPLOYEE OF PCH	No

2009

Open to Public  
Inspection**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.**Name of the organization**  
PHOENIX CHILDREN'S HOSPITAL**Employer identification number**

86-0422559

Identifier	Return Reference	Explanation
VOLUNTEERS	FORM 990, PART I, LINE 6	VOLUNTEERS MAKE A DIFFERENCE FOR PATIENTS AND FAMILIES AT PHOENIX CHILDREN'S HOSPITAL (PCH) EVERY DAY BY GIVING THE GIFT OF TIME. THE VOLUNTEERS EACH HAVE SOMETHING UNIQUE TO OFFER AND COME FROM ALL BACKGROUNDS AND WALKS OF LIFE. VOLUNTEERS ARE AN IMPORTANT PART OF PCH'S TEAM THAT PROVIDES THE BEST HOPE, HEALING AND CARE TO CHILDREN AND FAMILIES. EACH WEEK, OVER 400 VOLUNTEERS DONATE THREE TO FOUR HOURS OF SERVICE IN OVER 30 AREAS IN THE HOSPITAL. PCH VOLUNTEERS PLEDGE A MINIMUM OF 100 HOURS AND MUST BE AT LEAST 16 YEARS OF AGE. VOLUNTEERS GO THROUGH THE SAME SCREENING AND ORIENTATION PROCESS AS EMPLOYEES IN TERMS OF APPLICATION, BACKGROUND CHECK, GENERAL HOSPITAL ORIENTATION, HIPAA, CONFIDENTIALITY TRAINING, EXTENSIVE HANDS-ON TRAINING AND ADDITIONAL TRAINING AS NECESSARY FOR DIFFERENT POSITIONS.
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	PHOENIX CHILDREN'S HOSPITAL (PCH) IS A FULL-SERVICE CHILDREN'S HOSPITAL THAT PROVIDES PEDIATRIC INTENSIVE AND CARDIAC CARE, PEDIATRIC SPECIALISTS, NEONATAL SERVICES, GENERAL PEDIATRICS, AND OUTPATIENT SPECIALTY SERVICES. PCH IS ONE OF THE TEN LARGEST FREESTANDING CHILDREN'S HOSPITALS IN THE NATION SUSTAINED BY ONE OF THE MOST COMPREHENSIVE ARRAYS OF PEDIATRIC SPECIALISTS IN THE SOUTHWEST. PCH OPERATES AS A FREESTANDING, SPECIALIZED PEDIATRIC HOSPITAL ON A 23-ACRE CAMPUS ON THOMAS ROAD IN PHOENIX, ARIZONA. THE CAMPUS CONSISTS OF A FIVE-STORY, 265,000-SQUARE FOOT PEDIATRIC HOSPITAL (INCLUDING AN EMERGENCY DEPARTMENT), ONE MEDICAL OFFICE BUILDING, ONE OUTPATIENT CLINIC AND TWO OTHER SERVICE BUILDINGS. PCH ALSO OPERATES A 64-BED NEONATAL INTENSIVE CARE UNIT (NICU) IN PHOENIX WITHIN BANNER GOOD SAMARITAN REGIONAL MEDICAL CENTER. AT DECEMBER 31, 2009, PCH HAD 344 LICENSED IN-SERVICE BEDS FOR INTENSIVE CARE, NEONATAL SERVICES AND GENERAL PEDIATRIC CARE. OUTPATIENT PEDIATRIC SPECIALTY SERVICES ARE OFFERED ON THE THOMAS ROAD CAMPUS AND AT THREE SATELLITE OFFICES THROUGHOUT THE METROPOLITAN AREA. THROUGH ITS BROAD RANGE OF SUPERIOR PEDIATRIC SERVICES INCLUDING NEUROLOGY, ENDOCRINOLOGY, CHEMOTHERAPY, CARDIOLOGY AND OTHER MEDICAL SERVICES, THE PCH HAS PROVIDED A DISTINGUISHED INDEPENDENT HEALTH FACILITY FOR THE CHILDREN OF ARIZONA. EXECUTIVE SUMMARY: PCH DELIVERS ON ITS MISSION TO PROVIDE HOPE, HEALING, AND THE BEST CARE FOR CHILDREN AND FAMILIES BY PROVIDING ACCESS TO THE MOST ADVANCED SPECIALTY AND SUBSPECIALTY PEDIATRIC CARE IN ARIZONA. PCH EXTENDS THIS MISSION BEYOND OUR PATIENT POPULATION BY DELIVERING DIRECT FUNDING, PROGRAM SUPPORT, HEALTHCARE EXPERTISE, AND OTHER RESOURCES TO THE MOST VULNERABLE MEMBERS OF OUR COMMUNITY AND TO THE COMMUNITY AT LARGE. PCH IS ARIZONA'S ONLY LICENSED, FREE-STANDING CHILDREN'S HOSPITAL AND THUS SERVES THE ENTIRE STATE AND BEYOND. AS SUCH, PCH IS THE SINGLE LARGEST PROVIDER OF PEDIATRIC SERVICES TO LOW-INCOME CHILDREN IN ARIZONA. 53 PERCENT OF PATIENTS ARE MEDICAID BENEFICIARIES. COMMUNITY NEEDS ARE DETERMINED VIA AN ASSESSMENT OF MULTIPLE STAKEHOLDERS, STATE AND FEDERAL GOVERNMENT REPORTS, AND PATIENT DATA. PRIORITIES AND PROGRAMS ARE DEVELOPED TO SERVE THESE DEMONSTRATED NEEDS, WITH A SPECIAL FOCUS ON POPULATIONS THAT ARE KNOWN TO HAVE DIFFICULTY ACCESSING CARE AND PROGRAMS THAT IMPROVE OVERALL PEDIATRIC HEALTH AND SAFETY.
PROCESS USED BY ORGANIZATION TO REVIEW FORM 990	FORM 990, PART VI, LINE 11	THE 990 WAS REVIEWED BY THE VP OF FINANCE AND CFO OF THE ORGANIZATION. THE RETURN, IN ITS FINAL FORM, WAS THEN PROVIDED TO THE BOARD OF DIRECTORS BEFORE FILING WITH THE IRS.
PROCESS USED TO MONITOR AND ENFORCE THE CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	PCH AND ITS AFFILIATE ORGANIZATIONS REQUIRE EACH OF ITS DIRECTORS, OFFICERS AND VICE PRESIDENTS TO COMPLETE AN ANNUAL DISCLOSURE FORM, IDENTIFYING REAL OR POTENTIAL CONFLICTS, SUCH AS FINANCIAL RELATIONSHIPS OR INTERESTS, FAMILY OR BUSINESS ASSOCIATIONS OR EMPLOYEE RELATIONSHIPS WITH PCH AND/OR ITS DIRECTORS AND KEY EMPLOYEES. THE CEO REPORTS A SUMMARY OF THE QUESTIONNAIRES TO THE BOARD OF DIRECTORS AT A REGULAR BOARD MEETING. IF SITUATIONS ARE DISCLOSED THAT PRESENT ACTUAL OR POTENTIAL CONFLICTS OF INTEREST OR THE APPEARANCE OF A CONFLICT OF INTEREST, THE CEO DISCLOSES IT TO THE BOARD AS A WHOLE AND CONFERS WITH THE INDIVIDUAL CREATING THE RESPONSE TO IDENTIFY WHAT, IF ANY, STEPS ARE NECESSARY TO ELIMINATE OR AVOID A CONFLICT, INCLUDING RECLUSION ON A VOTE OR OTHER APPROPRIATE ACTION. THE CHAIR OF THE BOARD AND THE CEO THEN RETAIN ONGOING RESPONSIBILITY TO MONITOR FUTURE ACTIONS OF THE COMPANY AND SPECIFICALLY THE BOARD TO AVOID OR ELIMINATE FUTURE CONFLICTS AS CIRCUMSTANCES ARISE.
PROCESS USED TO DETERMINE COMPENSATION OF CEO AND OTHER OFFICERS	FORM 990, PART VI, LINES 15A AND 15B	PHOENIX CHILDREN'S HOSPITAL USES THE SERVICES OF AN OUTSIDE COMPENSATION CONSULTING FIRM TO MAKE MARKET COMPARISONS OF COMPENSATION, INCLUDING BOTH BASE SALARY AND INCENTIVE PROGRAMS. THESE PLANS ARE REVIEWED WITH AND ULTIMATELY APPROVED BY THE BOARD OF DIRECTORS' COMPENSATION COMMITTEE. AFTER COMPLETION OF THE YEAR END AUDIT, THE COMPENSATION COMMITTEE MEETS TO EVALUATE PERFORMANCE OF THE CEO AND KEY EXECUTIVES AND APPROVE THE RECOMMENDATION OF THE VP OF HUMAN RESOURCES AND THE CEO, BASED ON THE CRITERIA IN THE PREVIOUSLY APPROVED PLAN. THE DELIBERATIONS AND DECISIONS ARE DOCUMENTED IN THE COMPENSATION COMMITTEE BOARD MINUTES. THIS PROCESS WAS LAST COMPLETED IN 2010.
AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY,	AND FINANCIAL STATEMENTS TO THE PUBLIC	FORM 990, PART VI, LINE 19. SUCH DOCUMENTS ARE NOT REQUIRED TO BE MADE AVAILABLE, HOWEVER, THEY WILL BE PROVIDED UPON REASONABLE REQUEST.
PAYMENTS TO INDEPENDENT CONTRACTORS	FORM 990, PART VII, SECTION B	THE PAYMENTS TO KITCHELL AND JOHNSON CONTROLS, INC. INCLUDE PAYMENTS FOR GOODS AND MATERIALS THAT COULD NOT BE SPLIT OUT FROM THE PAYMENTS FOR SERVICES.
SCHEDULE K SUPPLEMENTAL INFORMATION		PART I, LINE B, COLUMN (F) - DESCRIPTION OF PURPOSE CAMPUS EXPANSION - SERIES C, REFUNDING 11/29/99 AND 2/20/02 BONDS.

Identifier	Return Reference	Explanation
METHOD USED TO DETERMINE THE AMOUNTS REPORTED IN COLUMN (C) OF	SCHEDULE R, PART V, LINE 2	THE ORGANIZATION USES THE ACCRUAL METHOD OF ACCOUNTING TO DETERMINE THE AMOUNTS REPORTED IN COLUMN (C) OF SCHEDULE R, PART V, LINE 2.



SCHEDULE R  
(Form 990)

## Related Organizations and Unrelated Partnerships

2009

► 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.

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceName of the organization  
PHOENIX CHILDREN'S HOSPITAL

Employer identification number

86-0422559

**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
-----------------------------------------------------	-------------------------	--------------------------------------------------	---------------------	---------------------------	----------------------------------

**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
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PHOENIX CHILDREN'S HOSPITAL FOUNDATION

1919 E THOMAS ROAD

SUPPORT

AZ

501(C)(3)

7 NA

PHOENIX, AZ 85016

74-2421549

CAMBRIDGE ARIZONA INSURANCE COMPANY

4041 N CENTRAL AVENUE SUITE 1200

INSURANCE

AZ

501(C)(3)

11A - I NA

PHOENIX, AZ 85012

26-1756912

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

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

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

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

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV

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

- a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to other organization(s)
- c Gift, grant, or capital contribution from other organization(s)
- d Loans or loan guarantees to or for other organization(s)
- e Loans or loan guarantees by other organization(s)
- f Sale of assets to other organization(s)
- g Purchase of assets from other organization(s)
- h Exchange of assets
- i Lease of facilities, equipment, or other assets to other organization(s)
- j Lease of facilities, equipment, or other assets from other organization(s)
- k Performance of services or membership or fundraising solicitations for other organization(s)
- l Performance of services or membership or fundraising solicitations by other organization(s)
- m Sharing of facilities, equipment, mailing lists, or other assets
- n Sharing of paid employees
- o Reimbursement paid to other organization for expenses
- p Reimbursement paid by other organization for expenses
- q Other transfer of cash or property to other organization(s)
- r Other transfer of cash or property from other organization(s)

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

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) CAMBRIDGE ARIZONA INSURANCE COMPANY		Q	3,343,497
(2) PHOENIX CHILDREN'S HOSPITAL FOUNDATION		C	5,430,014
(3) PHOENIX CHILDREN'S HOSPITAL FOUNDARION		N	1,568,720
(4) PHOENIX CHILDREN'S HOSPITAL FOUNDATION		P	2,487,492
(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?	(e) Share of end-of-year assets	(f) Disproportionate allocations?	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?
Yes	No	Yes	No	Yes	No	Yes	No

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 86-0422559  
**Name:** PHOENIX CHILDREN'S HOSPITAL

**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	Official	Key employee	Highest compensated employee			
DAVID CAVAZOS CHAIRMAN	1 0	X		X			0	0	0
MARK BONSALL VICE CHAIRMAN	1 0	X		X			0	0	0
RONALD C BROWN PAST CHAIRMAN	1 0	X					0	0	0
RONALD MATRICARIA TREASURER	1 0	X		X			0	0	0
EDWIN E VAN BRUNT SECRETARY	1 0	X		X			0	0	0
RHET L ANDREWS DIRECTOR	1 0	X					0	0	0
DINO R CAMUNEZ DIRECTOR	1 0	X					0	0	0
KATHLEEN GOEPINGER PhD DIRECTOR	1 0	X					0	0	0
JON HULBURD DIRECTOR	1 0	X					0	0	0
RICHARD KUHLE DIRECTOR	1 0	X					0	0	0
ORME LEWIS JR DIRECTOR	1 0	X					0	0	0
JACQUE J SOKOLOV MD DIRECTOR	1 0	X					0	0	0
PATRICIA G STARK DIRECTOR	1 0	X					0	0	0
ELIZABETH ZORN MD PRESIDENT, MEDICAL STAFF	1 0	X					365,183	0	27,168
BRUCE MORGENSTERN MD PAST PRESIDENT, MEDICAL STAFF	1 0	X					209,201	0	29,008
ROBERT L MEYER PRESIDENT & CEO	40 0	X		X			938,323	0	168,079
SHANE BROPHY INTERIM CHIEF FIN OFFICER	40 0			X			310,864	0	0
DEBORAH E WESLEY SVP, CHIEF OPERATIONS OFFICER	40 0				X		488,802	0	59,242
MURRAY M POLLACK MD CHIEF MEDICAL OFFICER	40 0				X		651,827	0	21,615
ROBERT SARNECKI CHIEF INFORMATION OFFICER	40 0				X		309,233	0	43,279
DERRICK E PARKER SVP, PRACTICE OPERATIONS	40 0				X		251,082	0	22,167
BETSY G KUZAS VP, CONSTRUCTION & SUPPORT SER	40 0				X		346,074	0	38,264
THOMAS J DIEDERICH VP, HUMAN RESOURCES	40 0				X		347,609	0	54,422
CARMEN L NEUBERGER VP, GENERAL COUNSEL	40 0				X		320,677	0	43,690
EDWARD C TROELL JR VP, PROFESSIONAL SERVICES	40 0				X		244,532	0	22,658

**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	Office	Key employee	Highest compensated employee			
PHILIP ADELSON MD DIVISION CHIEF	40 0				X		924,517	0	32,676
S DAVID MOSS MD STAFF PHYSICIAN	40 0				X		772,702	0	32,294
RICHARD B TOWBIN MD DIVISION CHIEF	40 0				X		759,497	0	27,645
JEFFREY M PEARL MD STAFF PHYSICIAN	40 0				X		682,038	0	29,188
LEE S SEGAL MD DIVISION CHIEF	40 0				X		650,762	0	32,197
DANIEL T CLOUD MD FORMER CHIEF EXECUTIVE OFFICER						X	117,444	0	0
LARRY J SMITH FORMER CHIEF FINANCIAL OFFICER						X	380,533	0	0