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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

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

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

C Name of organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3020 Childrens Way MC 5133

City or town, state or country, and ZIP + 4
San Diego, CA 921234282

D Employer identification number
95-1691313

E Telephone number
(858) 966-5824

G Gross receipts $ 767,688,208

F Name and address of principal officer
Kathleen Sellick
3020 Childrens Way MC 5133
San Diego, CA 921234282

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www rchsd org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1954 | **M** State of legal domicile CA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
The Hospital provides comprehensive pediatric medical services in San Diego, Southern Riverside, and Imperial Counties

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	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	18
5	Total number of employees (Part V, line 2a)	5	3,991
6	Total number of volunteers (estimate if necessary)	6	420
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	241,546
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-53,141

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	58,047,155	77,009,691
9	Program service revenue (Part VIII, line 2g)	475,155,164	508,268,379
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-29,154,781	15,179,512
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,173,334	19,407,533
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	515,220,872	619,865,115
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	249,073,647	273,863,760
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶272,957		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	204,616,929	303,376,202
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	453,690,576	577,239,962
19	Revenue less expenses Subtract line 18 from line 12	61,530,296	42,625,153

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	791,078,637	874,110,617
21	Total liabilities (Part X, line 26)	477,602,680	497,230,129
22	Net assets or fund balances Subtract line 21 from line 20	313,475,957	376,880,488

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2011-05-09

Roger Roux Chief Financial Officer
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP
355 S GRAND AVE SUITE 2000
LOS ANGELES, CA 90071

EIN ▶

Phone no ▶ (213) 972-4000

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

To restore, sustain and enhance the health and developmental potential of children through excellence in care, education, research and advocacy

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 429,921,803 including grants of $ 0) (Revenue $ 508,268,379)

Rady Children's Hospital San Diego (the Hospital) is a regional tertiary and quaternary referral center and provides comprehensive inpatient and outpatient acute and intensive care pediatric services The Hospital also is the sole pediatric provider and designated pediatric trauma center for San Diego County and is the primary source of pediatric and neonatal intensive care services for both San Diego and Imperial Counties On its main campus the Hospital operates the only level 3C full scope neonatal intensive care unit in San Diego County In addition, the Hospital operates two level 2 neonatal intensive care units for Scripps Health located in La Jolla and Encinitas, and an 11-bed pediatric medical surgical unit for Sharp Health located at its Sharp Grossmont Campus The Hospital is amalgamated with the University of California, San Diego, Health Sciences, and serves as a center for graduate and post-graduate education in the field of pediatrics Annually, the Hospital has approximately 16,000 admissions and has approximately 134,000 visits per year in its outpatient departments Annually, the emergency department and urgent care centers provide approximately 68,000 and 33,000 visits, respectively

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

4c (Code) (Expenses $ including grants of $) (Revenue $)

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

4e **Total program service expenses** ▶ $ 429,921,803

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	● Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	● Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	● Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	● Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	● Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	● Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* (Yes / No)	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	710		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	3,991		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
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				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 18		
b	Enter the number of voting members that are independent . .	1b 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

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

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 ▶

ROGER ROUX
3020 CHILDRENS WAY MC 5133
San Diego, CA 921234282
(858) 966-5824

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

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

1b Total . . . . . ▶	6,582,740	0	1,549,698

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 ▶488

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Children's Specialists of San Diego 3860 Calle Fortunada Suite 210 SAN DIEGO, CA 92123	Medical Services	33,845,908
Comforce Technical LLC 17682 Mitchell North Suite 100 IRVINE, CA 92614	temp staffing svcs	9,650,154
Scripps Memorial-La Jolla 4275 Campus Point Court CP 1 SAN DIEGO, CA 92121	JV distrib/claim pmt	3,933,052
Anshen Allen Inc 901 Market Street 6th Floor SAN FRANCISCO, CA 94103	Architectural Ser	3,203,571
Medquist Transcriptions LTD 1000 Bishops Gate Blvd Ste 300 NIYBT KAYREK, NJ 08054	TRANSCRIPTION SERV	2,415,039
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶106		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	14,910,961			
	e	Government grants (contributions)	1e	32,721,262			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	29,377,468			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		77,009,691			
Program Service Revenue			Business Code				
	2a	INPATIENT AND OUTPATIENT REVENUE	621,400	417,735,167	417,735,167		
	b	HOME AND HEALTH ASSOCIATION	621,610	21,580,201	21,580,201		
	c	CAPITATED REVENUE	623,000	52,018,742	52,018,742		
	d	CHILDREN'S CONVALESCENT HOSPTIAL	623,000	9,187,581	9,187,581		
	e	OUTPATIENT PSYCHIATRY	621,400	7,746,688	7,746,688		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		508,268,379			
	3	Investment income (including dividends, interest and other similar amounts)		4,564,394			4,564,394
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross Rents	1,155,796				
	b	Less rental expenses	0				
	c	Rental income or (loss)	1,155,796				
	d	Net rental income or (loss)		1,155,796			1,155,796
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	158,437,067	1,144			
	b	Less cost or other basis and sales expenses	147,823,093				
	c	Gain or (loss)	10,613,974	1,144			
	d	Net gain or (loss)		10,615,118			10,615,118
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	PHARMACETICAL RETAIL SALES	446,110	8,011,826			8,011,826
	b	FOOD SERVICES	722,210	1,756,543			1,756,543
	c	TUITION REVENUE	611,600	1,121,693			1,121,693
	d	All other revenue		7,361,675		241,546	7,120,129
	e	**Total.** Add lines 11a–11d		18,251,737			
	12	**Total revenue.** See Instructions		619,865,115	508,268,379	241,546	34,345,499

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	4,821,443	572,029	4,049,970	199,444
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	191,630,549	156,853,858	34,776,691	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	12,295,043	9,830,111	2,457,528	7,404
9	Other employee benefits	48,701,013	39,026,329	9,625,241	49,443
10	Payroll taxes	16,415,712	13,154,654	3,244,392	16,666
11	Fees for services (non-employees)				
a	Management	8,484,024	3,096,186	5,387,838	
b	Legal	2,625,120	28,121	2,596,999	
c	Accounting	563,006		563,006	
d	Lobbying	52,114		52,114	
e	Professional fundraising *See Part IV, line 17*	0			
f	Investment management fees	0			
g	Other	145,282,127	96,822,196	48,459,931	
12	Advertising and promotion	350,356	60,236	290,120	
13	Office expenses	77,508,382	71,326,167	6,182,215	
14	Information technology	925,723	228,759	696,964	
15	Royalties	0			
16	Occupancy	10,493,699	4,986,843	5,506,856	
17	Travel	774,054	627,273	146,781	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	505,694	406,530	99,164	
20	Interest	12,936,267	1,913,793	11,022,474	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	18,044,873	10,366,404	7,678,469	
23	Insurance	5,276,303	-89,465	5,365,768	
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	BAD DEBT	12,755,502	12,755,502		
b	DUES AND SUBSCRIPTIONS	1,375,329	255,763	1,119,566	
c	TAXES AND LICENSES	981,817	399,524	582,293	
d	RISK SHARING	319,153	319,153		
e	ENTERTAINMENT	273,657	85,080	188,577	
f	All other expenses	3,849,002	6,896,757	-3,047,755	
25	**Total functional expenses.** Add lines 1 through 24f	577,239,962	429,921,803	147,045,202	272,957
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		10,194,387	1	19,305,854
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net		50,276	3	0
	4	Accounts receivable, net		50,931,793	4	92,666,153
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		50,000	5	50,000
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		5,829,829	8	6,106,452
	9	Prepaid expenses and deferred charges		6,453,893	9	5,792,845
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 581,618,862			
	b	Less accumulated depreciation	10b 183,750,462	313,096,801	10c	397,868,400
	11	Investments—publicly traded securities		293,376,535	11	320,196,819
	12	Investments—other securities See Part IV, line 11		94,312,088	12	27,733,799
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		16,783,035	15	4,390,295
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		791,078,637	16	874,110,617
Liabilities	17	Accounts payable and accrued expenses		125,634,689	17	105,770,471
	18	Grants payable			18	
	19	Deferred revenue		1,754,054	19	959,371
	20	Tax-exempt bond liabilities		317,437,410	20	314,551,241
	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		7,140,392	23	6,787,752
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		25,636,135	25	69,161,294
	26	**Total liabilities.** Add lines 17 through 25		477,602,680	26	497,230,129
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		260,933,192	27	326,791,259
	28	Temporarily restricted net assets		44,845,264	28	42,116,053
	29	Permanently restricted net assets		7,697,501	29	7,973,176
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		313,475,957	33	376,880,488
	34	Total liabilities and net assets/fund balances		791,078,637	34	874,110,617

Part XI Financial Statements and Reporting

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

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

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

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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2009

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
RADY CHILDREN'S HOSPITAL - SAN DIEGO	95-1691313

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		52,114
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			52,114
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule C, Part II-B, Line 1		Paid outside consultants to increase and obtain funding for building development projects and to influence federal, state and local legislation as it affects Rady Children's Hospital's healthcare reimbursement and regulations

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	36,989,116	51,025,881			
b Contributions	275,375	170,821			
c Investment earnings or losses	6,593,869	-12,186,268			
d Grants or scholarships	0	0			
e Other expenditures for facilities and programs	1,603,715	1,874,174			
f Administrative expenses	106,811	147,144			
g End of year balance	42,147,834	36,989,116			

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

- a Board designated or quasi-endowment ▶ **74.280 %**
- b Permanent endowment ▶ **19.790 %**
- c Term endowment ▶ **5.930 %**

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	10,584,113		10,584,113
b Buildings	0	165,642,433	104,736,876	60,905,557
c Leasehold improvements	0	60,699,974	2,287,190	58,412,784
d Equipment	0	111,368,161	75,707,585	35,660,576
e Other	0	233,324,181	1,018,812	232,305,370
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				397,868,400

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

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

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

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

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

(a) Description	(b) Book value
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
PAYABLE TO BENEFICIARIES	149,434
INTEREST RATE SWAPS	39,684,201
DEFFERED COMPENSATION	1,551,378
PENSION FUNDING STATUS	13,515,110
MALPRACTICE IBNR	5,317,519
BENEFITS PAYABLE	8,943,652
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	69,161,294

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
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
Schedule D, Part X		The organization did not have a FIN 48 disclosure in its financial statements due to the fact that there was no FIN 48 liability for the year ended June 30,2010
Schedule D, Part V, Line 4		Rady Children's board designated endowment funds support the highest and most urgent needs of the organization as determined by ItS Board of Trustees In addition, donor designated (or restricted) endowment funds support a wide range of Initiatives Identified by the donor

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other 250 %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 450 %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		No
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)		1,278	2,823,155	0	2,823,155	0 500 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		32,061	202,703,388	160,583,876	42,119,512	7 460 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		0	0	0	0	0 %
d **Total** Charity Care and Means-Tested Government Programs		33,339	205,526,543	160,583,876	44,942,667	7 960 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	42	165,531	27,135,264	15,324,508	11,810,756	2 090 %
f Health professions education (from Worksheet 5)	15	11,556	11,392,619	638,168	10,754,451	1 910 %
g Subsidized health services (from Worksheet 6)	11	5,256	24,622,563	14,227,893	10,394,670	1 840 %
h Research (from Worksheet 7)	18	1,130	3,116,906	9,495	3,107,411	0 550 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	2	2	41,200	0	41,200	0 010 %
j **Total** Other Benefits	88	183,475	66,308,552	30,200,064	36,108,488	6 400 %
k **Total.** Add lines 7d and 7j	88	216,814	271,835,095	190,783,940	81,051,155	14 360 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		0	0	0	0	0 %
2	Economic development		0	0	0	0	0 %
3	Community support		0	0	0	0	0 %
4	Environmental improvements		0	0	0	0	0 %
5	Leadership development and training for community members		0	0	0	0	0 %
6	Coalition building		0	0	0	0	0 %
7	Community health improvement advocacy		0	0	0	0	0 %
8	Workforce development	2	83	206,927	0	206,927	0 040 %
9	Other		0	0	0	0	0 %
10	**Total**	2	83	206,927	0	206,927	0 040 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	12,755,502		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	227,598
6	Enter Medicare allowable costs of care relating to payments on line 5	6	1,005,014
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-777,416
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Rady Children's Hospital San Diego 3020 Childrens Way MC 5133 San Diego,CA 92123	X		X						

Part VI Supplemental Information

Complete this part to provide the following information

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

See additional data

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

See additional data

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

See additional data

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

See additional data

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

See additional data

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)

See additional data

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

Not applicable Rady Children's is not part of any affiliated health care system

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

CA

Additional Data

Software ID:
Software Version:
EIN: 95-1691313
Name: RADY CHILDREN'S HOSPITAL - SAN DIEGO

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization uses the Federal Poverty Guidelines (FPG) to determine eligibility for providing free and discounted care to low income individuals

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Hospital's community benefit report is a stand alone community benefit report and is not included in a report of a related organization

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

A pro forma cost report was calculated using preliminary internal financial statements, grouped based on the prior year final cost report Information from the pro forma cost report (including Worksheet 2) was then used to calculate per diem costs, charges, and the related cost to charge ratio that were used to determine the amounts reported in the table This cost-to-charge ratio was derived from Worksheet 2

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Hospital did not include any costs attributable to a physician clinic as subsidized health services

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The bad debt expense included in Form 990, Part IX, Line 25 but subtracted for purposes of calculating the percentage in this column is $12,755,502 The total expense used for purposes of calculating the percentages in column (f) is Form 990, Part IX, line 25 ($577,239,962) less bad debt expense per Form 990,Part IX, line 24a ($12,755,502) for total adjusted functional expenses of $564,484,460

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The audited financial statements do not contain a footnote that describes bad debt expense However, bad debt expense is accounted for as an operating expense in RCHSD financial statements The method used in determining the provisions (expense) is based on a historical look back methodology Amounts recorded as bad debts are netted down for any amounts that would have been allowed as deductions under related contract agreements Write off rates by Payor and aging category are applied to current Accounts Receivable Applicable contractual discounts are taken prior to write off to bad debt Payments posted also are netted against the accounts balance prior to write off RCHSD does not estimate the amount of the organization's bad debt expense attributable to patients eligible under its charity care policy No part of bad debt represents amounts attributable to patients eligible to receive financial assistance

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Medicare allowable costs reported in the organization's Medicare Cost Report as reflected in the amount reported in Part III, line 6 are determined using a pro forma cost report as described in Part I line 7, above The organization believes that the TEFRA cost limitation should be included as a community benefit, based on the inpatient cost over the TEFRA limits

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

In its billing and collection activity, Rady Children's Hospital - San Diego treats all patients and patient families or representatives with fairness, dignity and respect RCHSD does not utilize wage garnishments, liens on a patient's primary residence, or body attachments in its collection activities RCHSD only utilizes those outside or third party collection agencies that agree to comply with applicable state and federal laws and with RCHSD policies, and RCHSD debt collection standards and practices In determining the debt that RCHSD seeks to recover, RCHSD will consider only the income and certain monetary assets of the patient/guarantor eligible for the RCHSD Financial Assistance Program In making this determination, RCHSD will not consider retirement or deferred compensation plans (either qualified or non-qualified under the Internal Revenue Code), the first $10,000 or the remaining 50 percent of the patient/guarantor's monetary assets RCHSD shall not send an account to a collection agency if the patient has a pending application for the RCHSD Financial Assistance Program or government-sponsored insurance program or is attempting in good faith to settle an outstanding bill by negotiating an interest free, extended payment plan or by making regular partial payments of a reasonable amount A "pending application" is defined as an application that has been fully completed and includes copies of the required documentation by the patient/guarantor, submitted to the relevant public agency in the case of government programs and to RCHSD in the case of the RCHSD Financial Assistance Program If a patient account is sent to collections and it is determined that the patient is eligible for Financial Assistance, the patient account is removed from the collection process and the Financial Assistance application process is implemented

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The hospital does not have other unlicensed facilities

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Rady Children's Hospital - San Diego is committed to improve the health status of the community RCHSD is a participating member of the Community Health Improvement Partners (CHIP) coalition in San Diego CHIP is a collaboration of healthcare systems, hospitals, physicians, community-based clinics and the County of San Diego to improve the health of the community RCHSD participates with CHIP in a countywide health needs assessment every three years, which is in compliance with California SB 697 In addition, through a myriad of community-based programs, RCHSD assesses various patient population needs on an ongoing basis Based on the results of the triennial San Diego community health needs assessment, as well as ongoing assessments, RCHSD offers a variety of programs to address the physical, mental and social health needs of children

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

RCHSD provides written information about the availability of the RCHSD Financial Assistance Program This information is provided at patient registration, including patient informational materials, Emergency Department, outpatient clinics, and Patient Financial Services In addition, a statement regarding the Financial Assistance Program is included on patient billing statements Written notice is provided to potentially eligible patients during the registration process or as soon as possible thereafter and during the billing process This information is provided in English and Spanish and is translated for patients/guarantors who speak other languages Notification of Financial Assistance discusses, at a minimum, the following - If a patient meets certain income requirements, the patient may be eligible for a government-sponsored health insurance program or the RCHSD Financial Assistance Program - Identification of RCHSD Financial Counseling - Patient Financial Services phone number with hours of availability so that patients may call to obtain further information about the Financial Assistance Program Rady Children's provides healthcare support services to the community through the Financial Counseling Team Rady Children's Financial Counselors proactively explore and assist patients/guarantors in applying for health insurance coverage from public and private payment programs - The RCHSD website provides information about the Financial Assistance program, and the Financial Assistance policy and Financial Assistance Program Application are posted on the RCHSD website

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

There are approximately 775,000 children between the ages of infant to 17 that reside in San Diego County The median household income in 2009 was $62,771 and approximately 38 percent of families are considered low income The top health needs of children in San Diego County, as identified in the 2008 countywide health needs assessment, included access to healthcare, obesity, respiratory diseases, diabetes, mental health, injury and violence prevention and access to dental services Rady Children's Hospital - San Diego is a regional tertiary and quaternary referral center and the largest provider of pediatric hospital services in San Diego County RCHSD provides comprehensive care and treatment to children ranging in age from newborn through independent adulthood RCHSD is the sole Pediatric Level 1 Trauma Center serving the 26,000 square mile area of San Diego and Imperial counties Also, RCHSD is the pediatric safety net hospital for the region with a Medi-Cal payor mix hovering over 50% RCHSD serves as the teaching hospital for the School of Medicine at the University of California, San Diego (UCSD) and, in 2001, RCHSD and UCSD amalgamated where RCHSD became the pediatric provider of inpatient and outpatient medical and surgery services and certain other clinical services for UCSD pediatric patients There are three large health systems operating in San Diego, Sharp Healthcare, Scripps Health and Kaiser Permanente, as well as other hospital providers To help care for pediatric patients, RCHSD collaborates with Sharp Healthcare, Scripps Health and Palomar Pomerado Health through affiliated program agreements

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Rady Children's Center for Healthier Communities provides the FACES for the Future program at a local high school The FACES program is a youth and future healthcare workforce development program that prepares underrepresented, ethnically diverse youth for careers in all areas of the health professions The program also aims to assist local public schools in motivating and preparing underrepresented high school students for entry into college, healthcare/research careers and other viable employment opportunities in the healthcare industry The participating students rotate through clinical departments at Rady Children's Hospital - San Diego and receive mentorship

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

The Rady Children's Hospital and Health Center is governed by an 18-member Board of Trustees The majority of the organization's governing body is comprised of persons representing the San Diego community, who are neither employees nor contractors of the organization RCHSD extends medical staff privileges to all qualified physicians in its community RCHSD applies its surplus funds to support the highest and most urgent needs of the organization and the community including improving patient care, providing support for our patients' families, research, developmental services, education programs, and purchasing state-of-the art equipment and technology to further enhance patient care RCHSD promotes the health of the community it serves through a variety of mechanisms The RCHSD Community Benefit Report for fiscal year 2010 (July 1, 2009 through June 30, 2010) provides detailed information on over 30 programs and related activities RCHSD conducts each year to improve patient's health status From providing free medical education training seminars to community-based physicians and other health providers, support groups, parent educational resource materials, pediatric research, to programs directed to improve the health needs of patients, RCHSD uses a multi-pronged approach to provide benefit to the community

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Kathleen A Sellick	(i)	658,350	241,800	140,799	253,286	18,040	1,312,275	0
	(ii)	0	0	0	0	0	0	0
Margareta E Norton	(i)	430,619	124,469	100,475	145,296	9,748	810,607	0
	(ii)	0	0	0	0	0	0	0
Roger G Roux	(i)	424,215	123,876	102,226	143,078	13,528	806,923	0
	(ii)	0	0	0	0	0	0	0
Irvin A Kaufman MD	(i)	410,307	119,165	95,114	139,552	10,010	774,148	0
	(ii)	0	0	0	0	0	0	0
David B Gillig	(i)	304,863	89,113	63,360	89,301	18,010	564,647	0
	(ii)	0	0	0	0	0	0	0
Paul Kurtin	(i)	297,156	19,445	52,563	82,047	13,528	464,739	0
	(ii)	0	0	0	0	0	0	0
Marjorie Peck	(i)	270,461	28,470	47,652	77,583	7,120	431,286	0
	(ii)	0	0	0	0	0	0	0
Charles Wilson	(i)	242,264	17,796	53,363	69,542	18,040	401,005	0
	(ii)	0	0	0	0	0	0	0
Albert Oriol	(i)	243,341	35,455	30,081	66,906	14,093	389,876	0
	(ii)	0	0	0	0	0	0	0
Timothy L Jacoby	(i)	221,345	32,189	40,211	70,045	10,010	373,800	0
	(ii)	0	0	0	0	0	0	0
Angela M Vieira	(i)	225,627	24,774	39,329	59,162	12,259	361,151	0
	(ii)	0	0	0	0	0	0	0
Barbara Ryan	(i)	213,892	22,388	40,786	68,594	7,120	352,780	0
	(ii)	0	0	0	0	0	0	0
Chris Abe	(i)	185,865	16,303	39,905	63,765	11,285	317,123	0
	(ii)	0	0	0	0	0	0	0
Stephen Kalsman	(i)	168,064	10,221	36,273	15,686	18,040	248,284	0
	(ii)	0	0	0	0	0	0	0
Glenn Billman	(i)	206,967	7,500	0	14,751	10,273	239,491	0
	(ii)	0	0	0	0	0	0	0
Blair Sadler	(i)	0	0	284,303	0	0	284,303	
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule J, Part I, Line 4b		Rady Children's Hospital and Health Center has established a non-qualified plan pursuant to 457(f) of the Internal Revenue Code The purpose of this plan is to incentivize Rady Children's Hospital - San Diego eligible senior management employees (President, Senior Vice Presidents, Vice Presidents, Senior Managing Directors) in recognition of the fact that they are required to devote significant amounts of time, skill and energy to the organization and to provide these individuals with additional deferral opportunities The amounts listed in Schedule J Part II, Column (C) are subject to substantial future service requirements to the organization and are subject to substantial risk of forfeiture Once vested and not otherwise deferred, the amounts under this plan are reported on Form W-2 as taxable compensation to the individual

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 95-1691313
Name: RADY CHILDREN'S HOSPITAL - SAN DIEGO

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Kathleen A Sellick	(I)	658,350	241,800	140,799	253,286	18,040	1,312,275	0
	(II)	0	0	0	0	0	0	0
Margareta E Norton	(I)	430,619	124,469	100,475	145,296	9,748	810,607	0
	(II)	0	0	0	0	0	0	0
Roger G Roux	(I)	424,215	123,876	102,226	143,078	13,528	806,923	0
	(II)	0	0	0	0	0	0	0
Irvin A Kaufman MD	(I)	410,307	119,165	95,114	139,552	10,010	774,148	0
	(II)	0	0	0	0	0	0	0
David B Gillig	(I)	304,863	89,113	63,360	89,301	18,010	564,647	0
	(II)	0	0	0	0	0	0	0
Paul Kurtin	(I)	297,156	19,445	52,563	82,047	13,528	464,739	0
	(II)	0	0	0	0	0	0	0
Marjorie Peck	(I)	270,461	28,470	47,652	77,583	7,120	431,286	0
	(II)	0	0	0	0	0	0	0
Charles Wilson	(I)	242,264	17,796	53,363	69,542	18,040	401,005	0
	(II)	0	0	0	0	0	0	0
Albert Oriol	(I)	243,341	35,455	30,081	66,906	14,093	389,876	0
	(II)	0	0	0	0	0	0	0
Timothy L Jacoby	(I)	221,345	32,189	40,211	70,045	10,010	373,800	0
	(II)	0	0	0	0	0	0	0
Angela M Vieira	(I)	225,627	24,774	39,329	59,162	12,259	361,151	0
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Barbara Ryan	(I)	213,892	22,388	40,786	68,594	7,120	352,780	0
	(II)	0	0	0	0	0	0	0
Chris Abe	(I)	185,865	16,303	39,905	63,765	11,285	317,123	0
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Stephen Kalsman	(I)	168,064	10,221	36,273	15,686	18,040	248,284	0
	(II)	0	0	0	0	0	0	0
Glenn Billman	(I)	206,967	7,500	0	14,751	10,273	239,491	0
	(II)	0	0	0	0	0	0	0
Blair Sadler	(I)	0	0	284,303	0	0	284,303	
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	CA Statewide Comm Development Auth 2006 AB	68-0164610	130911420	10-26-2006	94,412,011	See Schedule O		X		X
B	CA Statewide Comm Development Auth 2008 AB	68-0164610	130795VK0	07-02-2008	128,845,000	See Schedule O		X		X
C	CA Statewide Comm Development Auth 2008 CD	68-0164610	130795VT1	07-31-2008	101,155,000	See Schedule O		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	94,412,011	128,845,000	101,155,000		
2	Gross proceeds in reserve funds	0	0	0		
3	Proceeds in refunding or defeasance escrows	0	0	0		
4	Other unspent proceeds	0	15,118,025	0		
5	Issuance costs from proceeds	905,100	803,543	817,130		
6	Working capital expenditures from proceeds	0	0	0		
7	Capital expenditures from proceeds	90,719,558	109,881,975	100,000,000		
8	Year of substantial completion	2006				

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X					
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X				
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	2 440 %		0 %		0 330 %					
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 %		0 %					
6	Total of lines 4 and 5	2 440 %		0 %		0 330 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X					

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X		X					
2	Is the bond issue a variable rate issue?		X	X		X					
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X	X		X					
b	Name of provider	Goldman Sachs		Goldman Sachs		Goldman Sachs					
c	Term of hedge	39 12		39 12		33 04					
4a	Were gross proceeds invested in a GIC?		X	X			X				
b	Name of provider	Natixis		Natixis							
c	Term of GIC	2 42		2 42							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X							
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X		X				

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Roger G Roux (Relocation Loan)		X	130,000	50,000		No	Yes		Yes	
Total . . . . . ▶ $				50,000						

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

Additional Data

Software ID:
Software Version:
EIN: 95-1691313
Name: RADY CHILDREN'S HOSPITAL - SAN DIEGO

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SCHEDULE O
(Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

Identifier	Return Reference	Explanation
Part VI, Section A Line 6		Rady Children's Hospital and Health Center (RCHHC) is the sole member as that term is defined in California Corporations Code 5056 ("Member")of Rady Children's Hospital - San Diego (RCHSD) Part VI, Section A Lines 7a and 7b The RCHSD Board of Directors consists of those individuals serving as the Board of Trustees of the Member Only the Member may remove a Director The following actions of the RCHSD Board require "prior written approval" of the Member to be effective o Any amendment, revision, modification of the Articles of Incorporation or the bylaws o Any change in the nature of the business activities of RCHSD o Approval of operating and capital budgets of RCHSD o Borrowing any amount or incurring any debt in the amount of $100,000 or more o Making or incurring any unbudgeted extraordinary or non-recurring expense or expenditure of $100,000 The RCHSD Board cannot authorize or direct any officer of RCHSD to perform or commit any of the following acts, without prior written approval of the Member o Borrow money in RCHSD's name or utilize property owned by RCHSD as security for loans, except in the ordinary course of business o Make, execute, or deliver any assignment for the benefit or creditors, or any bond, confession, judgment, chattel mortgage, security agreement, deed, guaranty, indemnity bond, surety bond, contract to sell or bill of sale of the property of RCHSD, except in the ordinary course of business o Acquire, purchase, develop, improve, sell, lease or mortgage any corporate real estate or any interest therein or enter into any contract for any such purposes o Make any loan or investment of any RCHSD assets, or enter into any contract or incur any liability on behalf of RCHSD other than for fair consideration or in the ordinary course of business relating to its normal daily operation Part VI, Section B,Line 11a - Review of Form 990 The Form 990 was reviewed by the CFO and then provided to the organization's Audit and Corporate Responsibility Committee for review Following review by the Committee, the returns were finalized, signed and submitted to the Internal Revenue Service A complete copy of the Form 990 was provided to each voting board member prior to filing

Identifier	Return Reference	Explanation
Part VI, Section B, Line 12c	Conflict of Interest Policy	On an annual basis and upon election or appointment, the policy and disclosure statement is distributed to all Board members, officers, and key employees and medical staff leaders All completed and signed statements are returned to the Corporate Compliance Officer for review Financial interest disclosures by board members and officers are brought to the RCHHC Board of Trustees or the Audit and Corporate Responsibility Committee for review and, as needed, appropriate action Financial interest disclosures by key employees and medical staff leaders are reviewed by the Corporate Compliance Officer and referred to the President and Chief Executive Officer or to the RCHHC Board of Trustees The Corporate Compliance Officer reports annually to the Executive Corporate Compliance Committee and the Audit and Corporate Responsibility Committee a summary of all disclosures and action taken, if any All other employees are required to complete a disclosure statement on an annual basis that is reviewed by the Corporate Compliance Officer

Identifier	Return Reference	Explanation
Part VI, Section B, Line 15	Determination of Compensation	Rady Children's Hospital and Health Center/Rady Children's Hospital - San Diego working through the Board Compensation Committee has a process for establishing, reviewing and approving compensation of officers and key employees of the organization on a no less than an annual basis The Compensation Committee is comprised of independent, lay members of the Board of Trustees Prior to conducting its review, the Chair of the Compensation Committee determines whether any member has a conflict of interest with respect to the matter(s) under review If there is a conflict, the conflicted member recuses himself/herself and is not present during discussion or vote on the arrangement under review In determining and approving the compensation arrangement, the Committee considers all components of compensation It considers comparability data and usually retains an independent compensation consultant to provide comparability data to the committee Total compensation is targeted to be between the 50th and 75th percentiles of the comparability data The Committee's deliberations and decisions are documented in minutes that are reviewed at its next meeting The Committee's written records include the (1) terms of the arrangement with the disqualified person (including the date the arrangement was approved), (2) a list of members present during the discussion of the transaction (and how the members voted when it was approved), and (3) a description of the comparable data relied on by the Committee

Identifier	Return Reference	Explanation
Part VI, Section C, Line 19		While federal tax laws do not mandate that the organization's governing documents, conflict of interest policy and financial statements be made available for public inspection, the organization makes its financial statements available upon request

Identifier	Return Reference	Explanation
Part VII, Section A, Line 1a	Line 1a	Average hours per week spent on related organizations by officers, trustees and key employees Penny Dokmo, RCHHC 0 13, RCHRC 0 06, RCHSSD 0 06, Scott Wolfe RCHHC 0 20, RCHSSD 0 10, RCHRC 0 10, Alvin Faierman MD RCHHC 0 05, RCHRC 0 02, RCHSSD 0 02, Herbert Kimmons RCHHC 0 06, Thomas Page RCHHC 0 08, John Davies RCHHC 0 12, RCHRC 0 06, RCHSSD 0 06, RCHFSD 0 58, Gabriel Haddad RCHHC 06, RCHSSD 03, Catherine Mackey RCHHC 0 07, Cathy Polk RCHHC 0 09, RCHFSD 0 19, Michael Peckham RCHHC 0 09, James Vargas RCHHC 0 02, RCHFSD 0 38, Theodore Roth RCHHC 0 12, RCHRC 0 06, RCHSSD 0 06, Kurt Benirschke RCHHC 0 09, RCHRC 0 05, RCHSSD 0 05, David Hale, RCHHC 0 09, RCHRC 0 05, RCHSSD 0 05, Roger Roux RCHHC 4 0, RCHRC 2 0, RCHSSD 2 0, Irvin Kaufman RCHHC 4 0, RCHRC 2 0, RCHSSD 2 0, David Gillig RCHHC 0 40, RCHFSD 36 0, Gail Knight RCHHC 0 10, Kathleen Sellick RCHHC 3 60, RCHFSD 4 0, RCHRC 1 80, RCHSSD 1 80, Marjorie Peck RCHHC 0 05, Margareta Norton RCHHC 4 0, RCHRC 2 0, RCHSSD 2 0

Identifier	Return Reference	Explanation
Schedule K, Part I		Issue A CA Statewide Communities Development Authority 2006 Series A, B Purpose Current refunding series 1996, 1993, 2004 capital lease Part III, Line 4, Column A The percentage shown is for the bond issue as a whole, which was a refunding issue, primarily of pre-1/1/03 issues With respect to the portion that refunded a post-12/31/02 new money issue, the percentage is 8 44 Issue B CA Statewide Communities Development Authority 2008 A, B Purpose Current refunding series 2007A, 2007B Issue C CA Statewide Communities Development Authority 2008 C, D Purpose Current refunding series 2006C, 2006D

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
RADY CHILDREN'S HOSPITAL - SAN DIEGO

Employer identification number
95-1691313

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
Rady Children's Hospital and Health Cent 3020 Childrens Way MC 5001 San Diego, CA 921234282 95-3545901	Support	CA	7	501(c)(3)	NA
Rady Children's Hospital Research Center 3020 Childrens WayMC 5001 San Diego, CA 921234282 95-3814185	Research	CA	11a	501(c)(3)	NA
Rady Children's Hospital Foundation - SD 3020 Childrens WayMC 5001 San Diego, CA 921234282 33-0170626	Fundraising	CA	7	501(c)(3)	NA
Rady Children's Health Services - SD 3020 Childrens WayMC 5001 San Diego, CA 921234282 33-0278018	Support	CA	11a	501(c)(3)	NA

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Children's Hospital Integrated Risk Prot 22 Victoria StreetHamilton Hamilton HM12 BD 99-9999999	Captive insurance	BD	N/A	C CORP	102,668	460,710	100 000 %
Rady Children's Physician Management Ser 3860 Calle FortunadaSuite 200 San Diego, CA92123 33-0670694	Management	CA	N/A	C CORP	30,241,544	8,620,268	100 000 %
Children's Hospital Insurance Ltd Canons Court 22 Victoria Street Hamilton HM12 BD 99-9999999	Insurance Captive	BD	RCHHC	C	0	0	0 %

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

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate 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

Additional Data

Software ID:
Software Version:
EIN: 95-1691313
Name: RADY CHILDREN'S HOSPITAL - SAN DIEGO

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Penny A Dokmo Chair	1 0	X		X				0	0	0
John G Davies Esq board member	97	X						0	0	0
Cathy C Polk board member	77	X						0	0	0
G Diego Miralles MD Board Member	38	X						0	0	0
David F Hale Vice Chair	73	X		X				0	0	0
David A Brenner MD Dean,USCD School,Board Member	83	X						0	0	0
Anthony E Magit MD board member	1 61	X						0	0	0
Catherine J Mackey PhD Board Member	64	X						0	0	0
John M Gilchrist Jr Board Member	61	X						0	0	0
Kurt Benirschke MD Board Member	72	X						0	0	0
Lisa A Barkett Esq Board Member	75	X						0	0	0
Marye Anne Fox PHD Chancellor,UCSD,Board Member	2	X						0	0	0
Mary Hilfiker Medical Staff, Board Member	55	X						0	0	0
Michael P Peckham Board Member	85	X						0	0	0
Santiago Munoz UC Appointee, Board Member	1 18	X						0	0	0
Scott N Wolfe Esq Board Member	1 63	X						0	0	0
Theodore D Roth Board Member	94	X						0	0	0
Harry M Rady Board Member	0 0	X						0	0	0
Kathleen A Sellick President/CEO	28 8			X				1,040,949	0	271,326
Margareta E Norton Sr VP/COO/Secty	32 0			X				655,563	0	155,044
Roger G Roux Sr VP/CFO/Treas	32 0			X				650,317	0	156,606
Irvin A Kaufman MD Sr VP/CMO	32 0			X				624,586	0	149,562
David B Gillig SVP/Exec Dir RCHFSD/Secty	3 6			X				457,336	0	107,311
Marjorie Peck VP/CNO	40 0				X			346,583	0	84,703
Albert Oriol VP/CIO	40 0				X			308,877	0	80,999

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Timothy L Jacoby VP, Facilities and Constructio	40 0				X			293,745	0	80,055
Angela M Vieira General Counsel	40 0				X			289,730	0	71,421
Barbara Ryan VP, Government Affairs	40 0				X			277,066	0	75,714
Paul Kurtin VP/Chief quality and Safety	40 0					X		369,164	0	95,575
Charles Wilson Sr Managing Director	40 0					X		313,423	0	87,582
Chris Abe Sr Director Safety and Support	40 0					X		242,073	0	75,050
Stephen Kalsman Controller	40 0					X		214,558	0	33,726
Glenn Billman Chief Medical Safety Officer	40 0					X		214,467	0	25,024
Blair Sadler Former CEO	40 0						X	284,303	0	0

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

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
INPATIENT AND OUTPATIENT REVENUE	621,400	417,735,167	417,735,167		
HOME AND HEALTH ASSOCIATION	621,610	21,580,201	21,580,201		
CAPITATED REVENUE	623,000	52,018,742	52,018,742		
CHILDREN'S CONVALESCENT HOSPTIAL	623,000	9,187,581	9,187,581		
OUTPATIENT PSYCHIATRY	621,400	7,746,688	7,746,688		

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

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBT	12,755,502	12,755,502		
DUES AND SUBSCRIPTIONS	1,375,329	255,763	1,119,566	
TAXES AND LICENSES	981,817	399,524	582,293	
RISK SHARING	319,153	319,153		
ENTERTAINMENT	273,657	85,080	188,577	