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Form 990

## Return of Organization Exempt From Income Tax

2010

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

Open to Public Inspection

## A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable	C Name of organization Phoenix Children's Hospital		D Employer identification number 86-0422559
<input type="checkbox"/> Address change	Doing Business As		E Telephone number (602) 512-8132
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 1919 E THOMAS ROAD		F Gross receipts \$ 425,596,975
<input type="checkbox"/> Initial return	Room/suite		G Gross receipts \$ 425,596,975
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return			
<input type="checkbox"/> Application pending			

F Name and address of principal officer ROBERT L MEYER 1919 E THOMAS ROAD PHOENIX, AZ 85015	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
	H(c) Group exemption number ►

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

J Website: ► WWW.PHOENIXCHILDRENS.COM

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

## Part I Summary

1 Briefly describe the organization's mission or most significant activities WE PROVIDE HOPE, HEALING AND THE BEST HEALTHCARE FOR CHILDREN AND THEIR FAMILIES		
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets		
3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3	15
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	13
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	5	3,085
6 Total number of volunteers (estimate if necessary) . . . . .	6	510
7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	0
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	0

8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
9 Program service revenue (Part VIII, line 2g) . . . . .	12,009,927	16,773,949
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	392,461,328	405,995,367
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .	6,526,403	2,827,659
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	410,997,658	425,596,975

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	0	411,701
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) . . . . .	225,811,742	223,005,576
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .	182,489,438	190,235,063
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .	408,301,180	413,652,340
19 Revenue less expenses Subtract line 18 from line 12 . . . . .	2,696,478	11,944,635

20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year	End of Year
21 Total liabilities (Part X, line 26) . . . . .	825,955,781	850,506,825
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	588,177,022	609,366,961
	237,778,759	241,139,864

## 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 CRAIG MCKNIGHT CFO Type or print name and title	2011-11-09 Date
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Paid Preparer Use Only	Print/Type preparer's name Firm's name ► ERNST & YOUNG US LLP	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's address ► TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004				Firm's EIN ►
					Phone no ► (602) 322-3000

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

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

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

Y describe the organization's mission

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

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? \_\_\_\_\_

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

Yes  No

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

If "Yes," describe these changes on Schedule C

Yes  No

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 \$ 341,563,366 including grants of \$ ) (Revenue \$ 405,995,367  
SEE SCHEDULE O

**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 \$

341.563.366

**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?

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.

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.

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.

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.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

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.

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.

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part XI.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

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, Parts I and IV

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, Parts II and IV

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, Parts III and IV

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 (see instructions)

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

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

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10	Yes	
11a	Yes	
11b		No
11c		No
11d	Yes	
11e	Yes	
11f	Yes	
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a	Yes	
20b		No

**Part IV Checklist of Required Schedules (continued)**

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

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

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	252
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	3,085
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
<p><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
<b>b</b>	If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	No
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7e	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	10a	
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10b	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	11a	
<b>a</b>	Gross income from members or shareholders	11b	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state?		
<p><b>Note.</b> See the instructions for additional information the organization must report on Schedule O</p>			
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b>	Enter the amount of reserves on hand	13c	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

### Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year . . . . .

1b Enter the number of voting members included in line 1a, above, who are independent . . . . .

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .

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? . . . . .

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .

5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .

6 Does the organization have members or stockholders? . . . . .

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .

b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body? . . . . .

b Each committee with authority to act on behalf of the governing body? . . . . .

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 . . . . .

	Yes	No
1a		15
1b		13
2		No
3		No
4		No
5		No
6		No
7a		No
7b		No
8a	Yes	
8b	Yes	
9		No

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

10a Does the organization have local chapters, branches, or affiliates? . . . . .

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? . . . . .

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .

b Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .

12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .

13 Does the organization have a written whistleblower policy? . . . . .

14 Does the organization have a written document retention and destruction policy? . . . . .

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 . . . . .

b Other officers or key employees of the organization . . . . .

If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .

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? . . . . .

	Yes	No
10a		No
10b		
11a	Yes	
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14	Yes	
15a	Yes	
15b	Yes	
16a		No
16b		

### Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website  Another's website  Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►  
 DENNIS BRUNS  
 1919 E THOMAS ROAD  
 PHOENIX, AZ 85016  
 (602) 512-8132



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

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 **284**

	<b>Yes</b>	<b>No</b>
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b> Yes	
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>4</b> Yes	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	<b>5</b>	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
KITCHELL 1707 E HIGHLAND STE 200 PHOENIX, AZ 85016	CONSTRUCTION	115,355,068
SODEXO INC AFFILIATES 9801 WASHINGTON BLVD GAIITHERSBURG, MD 20878	OUTSOURCING	8,922,343
JOHNSON CONTROLS INC 111 CABIN GATE PEACHTREE, GA 30269	CONTR & OUTSOURCING	3,676,583
HKS INC 1919 MCKINNEY AVE DALLAS, TX 75201	ARCHITECT	3,444,459
PEDIATRIC SURGEONS OF PHOENIX 1920 E CAMBRIDGE AVE 201 PHOENIX, AZ 85006	MEDICAL SERVICES	2,675,867
2. Total number of independent contractors (including but not limited to those listed above) who received more than		

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 ►127

**Part VIII Statement of Revenue**

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
<b>b</b> Membership dues . . . . .	<b>1b</b>				
<b>c</b> Fundraising events . . . . .	<b>1c</b>				
<b>d</b> Related organizations . . . . .	<b>1d</b>	16,773,949			
<b>e</b> Government grants (contributions)	<b>1e</b>				
<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
<b>g</b> Noncash contributions included in lines 1a-1f \$					
<b>h Total.</b> Add lines 1a-1f . . . . .		16,773,949			
<b>Program Service Revenue</b>		<b>Business Code</b>			
<b>2a</b> NET PATIENT SERVICE REVENUE		622110	400,121,646	400,121,646	
<b>b</b> OTHER OPERATING REVENUE		900099	3,951,791	3,951,791	
<b>c</b> RESEARCH REVENUE		541700	1,921,930	1,921,930	
<b>d</b>					
<b>e</b>					
<b>f</b> All other program service revenue					
<b>g Total.</b> Add lines 2a-2f . . . . .		405,995,367			
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .					
			2,513,816		2,513,816
<b>4</b> Income from investment of tax-exempt bond proceeds .			0		
<b>5</b> Royalties . . . . .			0		
<b>6a</b> Gross Rents	(I) Real	(II) Personal			
<b>b</b> Less rental expenses					
<b>c</b> Rental income or (loss)					
<b>d</b> Net rental income or (loss)					
<b>7a</b> Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
	89,028,644				
<b>b</b> Less cost or other basis and sales expenses	88,671,881	42,921			
<b>c</b> Gain or (loss)	356,763	-42,921			
<b>d</b> Net gain or (loss)			313,843		313,843
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .					
<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events .			0		
<b>9a</b> Gross income from gaming activities See Part IV, line 19 .	<b>a</b>				
<b>b</b> Less direct expenses . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from gaming activities .			0		
<b>10a</b> Gross sales of inventory, less returns and allowances .					
<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from sales of inventory .			0		
<b>Miscellaneous Revenue</b>		<b>Business Code</b>			
<b>11a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b> All other revenue . . . . .					
<b>e Total.</b> Add lines 11a-11d . . . . .		0			
<b>12 Total revenue.</b> See Instructions . . . . .		425,596,975	405,995,367	0	2,827,659

**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	411,701	411,701		
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 . . .	6,349,596		6,349,596	
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	175,726,065	156,500,560	19,225,505	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	4,959,952	4,263,257	696,695	
9 Other employee benefits . . .	24,618,397	21,490,135	3,128,262	
10 Payroll taxes . . . . .	11,351,566	10,132,375	1,219,191	
a Fees for services (non-employees) Management . . . . .	0			
b Legal . . . . .	1,129,702	45,557	1,084,145	
c Accounting . . . . .	387,026		387,026	
d Lobbying . . . . .	187,769	187,769		
e Professional fundraising services See Part IV, line 17 . .	0			
f Investment management fees . . . . .	0			
g Other . . . . .	42,925,972	31,141,850	11,784,122	
12 Advertising and promotion . . .	3,298,304	239,649	3,058,655	
13 Office expenses . . . . .	62,703,659	60,786,555	1,917,104	
14 Information technology . . . . .	4,832,300	528,670	4,303,630	
15 Royalties . . .	0			
16 Occupancy . . . . .	11,663,725	8,005,408	3,658,317	
17 Travel . . . . .	70,714	63,402	7,312	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . .	2,568,552	1,618,314	950,238	
20 Interest . . . . .	6,587,952		6,587,952	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	23,483,231	18,076,183	5,407,048	
23 Insurance . . . . .	5,977,729	5,597,743	379,986	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a EQUIPMENT COSTS	7,756,647	6,234,923	1,521,724	
b BAD DEBT	10,297,126	10,297,126		
c ALL OTHER EXPENSES	6,364,654	5,942,189	422,465	
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	413,652,340	341,563,366	72,088,974	0
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	85,559,618	<b>1</b> 90,351,774
	2 Savings and temporary cash investments . . . . .	9,843,866	<b>2</b> 1,002,128
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	54,700,366	<b>4</b> 48,812,684
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .	6	
	7 Notes and loans receivable, net . . . . .	7	
	8 Inventories for sale or use . . . . .	5,251,266	<b>8</b> 5,385,165
	9 Prepaid expenses and deferred charges . . . . .	7,030,389	<b>9</b> 6,599,547
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 690,379,351	
	b Less accumulated depreciation . . . . .	10b 112,495,545	<b>10c</b> 448,266,531 577,883,806
	11 Investments—publicly traded securities . . . . .	177,488,708	<b>11</b> 42,323,127
	12 Investments—other securities See Part IV, line 11 . . . . .	14,856,478	<b>12</b> 0
	13 Investments—program-related See Part IV, line 11 . . . . .	13	
	14 Intangible assets . . . . .	0	<b>14</b> 0
	15 Other assets See Part IV, line 11 . . . . .	22,958,559	<b>15</b> 78,148,594
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	825,955,781	<b>16</b> 850,506,825
Liabilities	17 Accounts payable and accrued expenses . . . . .	71,406,824	<b>17</b> 68,088,724
	18 Grants payable . . . . .	18	
	19 Deferred revenue . . . . .	1,070,753	<b>19</b> 1,093,039
	20 Tax-exempt bond liabilities . . . . .	450,000,000	<b>20</b> 450,000,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	22	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	1,447,381	<b>23</b> 595,456
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	5,000,000	<b>24</b> 0
	25 Other liabilities Complete Part X of Schedule D . . . . .	59,252,064	<b>25</b> 89,589,742
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	588,177,022	<b>26</b> 609,366,961
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	234,211,935	<b>27</b> 237,232,943
	28 Temporarily restricted net assets . . . . .	3,566,824	<b>28</b> 3,906,921
	29 Permanently restricted net assets . . . . .	29	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds . . . . .	30	
	31 Paid-in or capital surplus, or land, building or equipment fund . . . . .	31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .	32	
	33 Total net assets or fund balances . . . . .	237,778,759	<b>33</b> 241,139,864
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	825,955,781	<b>34</b> 850,506,825

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1 Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	425,596,975
2 Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	413,652,340
3 Revenue less expenses Subtract line 2 from line 1 . . . . .	3	11,944,635
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	237,778,759
5 Other changes in net assets or fund balances (explain in Schedule O) . . . . .	5	-8,583,530
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	6	241,139,864

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

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

**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support****2010****Open to Public  
Inspection**

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

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

Department of the Treasury  
Internal Revenue Service  
  
Name of the organization  
Phoenix Children's Hospital

Employer identification number

86-0422559

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

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

1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.  
 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )  
 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.  
 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state  
 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )  
 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.  
 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )  
 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )  
 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )  
 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.  
 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other  
 e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)  
 f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box  
 g  Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?  
 (ii) a family member of a person described in (i) above?  
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?  
 h  Provide the following information about the supported organization(s)

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

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

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 <b>First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						►

**Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2009.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2009.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ►						

**Section C. Computation of Public Support Percentage**

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2009 Schedule A, Part III, line 15	16

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18
<b>19a 33 1/3% support tests—2010.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
<b>b 33 1/3% support tests—2009.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
<b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ►	

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

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### **Facts And Circumstances Test**

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**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 86-0422559  
**Name:** Phoenix Children's Hospital

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Official	Key employee	Highest compensated employee			
DAVID CAVAZOS CHAIRMAN	10	X		X			0	0	0
MARK BONSALL VICE CHAIRMAN	10	X		X			0	0	0
RONALD C BROWN IMMEDIATE PAST CHAIRMAN	10	X					0	0	0
RONALD MATRICARIA TREASURER	10	X		X			0	0	0
EDWIN E VAN BRUNT SECRETARY	10	X		X			0	0	0
RHET L ANDREWS DIRECTOR	10	X					0	0	0
DINO R CAMUNEZ DIRECTOR	10	X					0	0	0
KATHLEEN GOEPINGER PHD DIRECTOR	10	X					0	0	0
JON HULBURD DIRECTOR	10	X					0	0	0
RICHARD KUHLE DIRECTOR	10	X					0	0	0
ORME LEWIS JR DIRECTOR	10	X					0	0	0
JACQUE J SOKOLOV MD DIRECTOR	10	X					0	0	0
PATRICIA G STARK DIRECTOR	10	X					0	0	0
ELIZABETH ZORN MD PRESIDENT, MEDICAL STAFF	10	X					367,145	0	27,249
ROBERT L MEYER PRESIDENT & CEO	400	X		X			1,130,978	0	200,468
CRAIG MCKNIGHT SVP & CFO (AS OF 3/2010)	400			X			339,917	0	28,058
SHANE BROPHY FORMER INTERIM CFO -UNTIL 3/10	400			X			295,836	0	21,392
MURRAY M POLLACK MD CHIEF MEDICAL OFFICER	400				X		719,773	0	21,606
ROBERT SARNECKI CHIEF INFORMATION OFFICER	400				X		343,358	0	48,499
DERRICK E PARKER SVP, PRACTICE OPERATIONS	400				X		360,705	0	57,334
BETSY G KUZAS VP, CONSTRUCTION & SUPPORT SER	400				X		417,237	0	46,774
THOMAS J DIEDERICH VP, HUMAN RESOURCES	400				X		386,033	0	68,325
CARMEN L NEUBERGER VP, GENERAL COUNSEL	400				X		372,643	0	43,087
PHILIP ADELSON MD DIVISION CHIEF	400					X	1,047,207	0	32,826
JEFFREY M PEARL MD STAFF PHYSICIAN	400					X	834,799	0	30,388

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Office	Key employee	Highest compensated employee			
LEE S SEGAL MD DIVISION CHIEF	40 0				X		671,991	0	32,259
DAVID SHAFRON MD STAFF PHYSICIAN	40 0				X		650,164	0	26,808
RICHARD B TOWBIN MD DIVISION CHIEF	40 0				X		708,488	0	27,348
DANIEL T CLOUD MD FORMER CHIEF EXECUTIVE OFFICER	0 0					X	68,509	0	0
BRUCE MORGENSTERN MD FORMER IP PRESIDENT, MED STAFF	0 0					X	241,523	0	28,190
DEBRA K PENDERGAST FORMER VP, NURSING	0 0					X	277,712	0	15,456
EDWARD C TROELL JR FORMER VP, PROFESSIONAL SVCS	0 0					X	336,781	0	18,012
DEBORAH E WESLEY FORMER SVP, CHIEF OPS OFFICER	0 0					X	291,457	0	13,839

## **SCHEDULE C**

## 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.

2010

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Inspection

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

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

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

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

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

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

Name of the organization  
Phoenix Children's Hospital

Employer identification number

86-0422559

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

- 1** Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2** Political expenditures
- 3** Volunteer hours

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

**1** Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ \_\_\_\_\_

**2** Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ \_\_\_\_\_

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

**4a** Was a correction made?  Yes  No

**b** If "Yes," describe in Part IV

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

**1** Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ \_\_\_\_\_

**2** Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ \_\_\_\_\_

**3** Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ \_\_\_\_\_

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

**5** Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments 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

**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.)

**1a** Total lobbying expenditures to influence public opinion (grass roots lobbying)**(a)** Filing Organization's Totals  
**(b)** Affiliated Group Totals

0

**b** Total lobbying expenditures to influence a legislative body (direct lobbying)

187,769

**c** Total lobbying expenditures (add lines 1a and 1b)

187,769

**d** Other exempt purpose expenditures

341,375,600

**e** Total exempt purpose expenditures (add lines 1c and 1d)

341,563,369

**f** Lobbying nontaxable amount Enter the amount from the following table in both columns

1,000,000

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

**g** Grassroots nontaxable amount (enter 25% of line 1f)

250,000

**h** Subtract line 1g from line 1a If zero or less, enter -0-**i** Subtract line 1f from line 1c If zero or less, enter -0-**j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
<b>2a</b> Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
<b>c</b> Total lobbying expenditures	255,972	223,113	285,005	187,769	951,859
<b>d</b> Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
<b>f</b> Grassroots lobbying expenditures	255,972	223,113	0	0	479,085

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

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

Identifier	Return Reference	Explanation
ADVOCACY		PCH IS A POWERFUL ADVOCATE FOR CHILDREN ON THE NATIONAL, STATE, AND LOCAL STAGES. PCH LEADERSHIP AND MANY PHYSICIANS SERVE ON BOARDS, COMMISSIONS, AND COMMITTEES AND USE THEIR EXPERTISE TO THE BENEFIT OF OUR COMMUNITY AT LARGE.

2010

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements**

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

Department of the Treasury  
Internal Revenue Service**Name of the organization**  
Phoenix Children's Hospital**Employer identification number**

86-0422559

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

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

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

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

	<b>Amount</b>
1c	
1d	
1e	
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 . . . . .	3,626,192	3,175,694	4,355,490		
b Contributions . . . . .	50,000	405	35,180		
c Investment earnings or losses . . . . .		450,093	-1,214,976		
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .	3,676,192	3,626,192	3,175,694		

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

a Board designated or quasi-endowment ► 100 000 %

b Permanent endowment ► 0 %

c Term endowment ► 0 %

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

	<b>Yes</b>	<b>No</b>
3a(i) unrelated organizations . . . . .		No
3a(ii) related organizations . . . . .	Yes	

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

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 . . . . .		38,448,039			38,448,039
b Buildings . . . . .		151,672,929	31,087,365		120,585,564
c Leasehold improvements . . . . .		31,072,450	6,124,454		24,947,996
d Equipment . . . . .		107,319,709	75,283,726		32,035,983
e Other . . . . .		361,866,224			361,866,224
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .					577,883,806

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
<b>Total.</b> (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
		</

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

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

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

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

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

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

**Part XIV Supplemental Information**

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

Identifier	Return Reference	Explanation
INTENDED USE OF ENDOWMENT FUNDS	SCHED D PART V LINE 4	PHOENIX CHILDREN'S HOSPITAL FOUNDATION, A RELATED TAX-EXEMPT ORGANIZATION, HOLDS ENDOWMENT FUNDS THAT ARE TO BE USED TO PROVIDE ONGOING OUTSTANDING PEDIATRIC CARE TO CHILDREN, BY ENABLING PHOENIX CHILDREN'S HOSPITAL TO OFFER THE VERY BEST TECHNOLOGY, PROGRAMS AND MEDICAL SPECIALISTS. ENDOWMENT FUNDS WILL BE USED TO SUPPORT PHOENIX CHILDREN'S HOSPITAL PROGRAMS INCLUDING THE CHILDREN'S NEUROSCIENCES INSTITUTE, THE CENTER FOR CANCER AND BLOOD DISORDERS, CAMP RAINBOW, A CAMP FOR CHILDREN WITH DIABETES, HEMOPHILIA AND KIDNEY DISEASE, THE CENTER FOR PEDIATRIC ORTHOPEDICS, PULMONARY AND CYSTIC FIBROSIS, PEDIATRIC RHEUMATOLOGY AND PEDIATRIC ONCOLOGY
FIN 48 FOOTNOTE	SCHEDULE D, PART X, LINE 2	MANAGEMENT IS OF THE OPINION THAT SUBSTANTIALLY ALL OF THE HOSPITAL'S, FOUNDATION'S, AND CAPTIVE'S ACTIVITIES ARE RELATED TO THEIR EXEMPT PURPOSES AND NO MATERIAL UNCERTAIN TAX POSITIONS HAVE BEEN IDENTIFIED OR RECORDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2010 AND 2009

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 86-0422559  
**Name:** Phoenix Children's Hospital

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

(a) Description	(b) Book value
MISCELLANEOUS RECEIVABLES	7,247,528
ALT INVESTMENT LIQUIDATION R/C	11,341,340
ASSETS HELD AS COLLATERAL	33,509,864
INVESTMENT IN AFFILIATE	1,705,239
DEFERRED FINANCING COSTS	4,887,636
DUE FROM FOUNDATION AFFILIATE	5,572,720
RESTRICTED CASH	3,906,921
MARK TO MARKET ASSET	9,977,346

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

1	(a) Description of Liability	(b) Amount
	MARK TO MARKET LIABILITY	60,674,557
	DEFERRED COMPENSATION LIAB	10,130,381
	DUE TO MAYO - BMT PROGRAM	207,585
	MISC LIABILITIES	2,499,255
	CAPTIVE LIABILITY	3,435,163
	CONSTRUCTION RETAINAGE	7,769,977
	ROSENBERG LT LIABILITY	4,472,825
	GME LOAN	400,000

SCHEDULE H  
(Form 990)

## Hospitals

OMB No 1545-0047

2010

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
► Attach to Form 990. ► See separate instructions.Name of the organization  
Phoenix Children's Hospital

Employer identification number

86-0422559

## Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .

b If "Yes," is it a written policy? . . . . .

2 If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

Applied uniformly to all hospitals  Applied uniformly to most hospitals  
 Generally tailored to individual hospitals

3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

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 FPG family income limit for eligibility for free care

100%  150%  200%  Other \_\_\_\_\_ %

b Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

200%  250%  300%  350%  400%  Other \_\_\_\_\_ %

c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .

b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .

c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .

6a Does the organization prepare a community benefit report during the tax year? . . . . .

6b If "Yes," did the organization make it available to the public? . . . . .

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

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

## 7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheets 1 and 2)			3,207,700	0	3,207,700	0 800 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			214,113,345	172,243,639	41,869,706	10 380 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			1,415,190	1,658,397	-243,207	0 060 %
d Total Financial Assistance and Means-Tested Government Programs			218,736,235	173,902,036	44,834,199	11 120 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,924,462	2,844,709	1,079,753	0 270 %
f Health professions education (from Worksheet 5)			22,281,401	11,478,239	10,803,162	2 680 %
g Subsidized health services (from Worksheet 6)			15,428,401	6,639,101	8,789,300	2 180 %
h Research (from Worksheet 7)			3,338,964	0	532,984	0 130 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			411,701	0	411,701	0 %
j Total Other Benefits			45,384,929	20,962,049	21,616,900	5 260 %
k Total. Add lines 7d and 7j			264,121,164	194,864,085	66,451,099	16 380 %

**Part II Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support			3,414,463	525,928	2,888,535	0 010 %
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development						
<b>9</b> Other						
<b>10 Total</b>			3,414,463	525,928	2,888,535	0 010 %

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b> Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? . . . . .	<b>1</b>	Yes	
<b>2</b> Enter the amount of the organization's bad debt expense (at cost) . . . . .	<b>2</b>	3,568,101	
<b>3</b> Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy . . . . .	<b>3</b>	0	
<b>4</b> Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

**Section B. Medicare**

<b>5</b> Enter total revenue received from Medicare (including DSH and IME) . . . . .	<b>5</b>	2,205,754	
<b>6</b> Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	<b>6</b>	3,849,109	
<b>7</b> Subtract line 6 from line 5 This is the surplus or (shortfall) . . . . .	<b>7</b>	-1,643,355	
<b>8</b> 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**

<b>9a</b> Does the organization have a written debt collection policy? . . . . .	<b>9a</b>	No
<b>b</b> 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 . . . . .	<b>9b</b>	

**Part IV Management Companies and Joint Ventures**

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

## Part V | Facility Information

## **Section A. Hospital Facilities**

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

**Part V Facility Information (continued)****Section B. Facility Policies and Practices.**

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

Name of Hospital Facility: PHOENIX CHILDREN'S HOSPITAL-MAIN CAMPUSLine Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . .	1	
If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment <u>20</u> . . . . .		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . .	5	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . . .	9	
If "Yes," indicate the FPG family income limit for eligibility for free care <u>  %</u>		

**Part V Facility Information (continued)**

**10** Used FPG to determine eligibility for providing *discounted* care to low income individuals? . . . . .  
 If "Yes," indicate the FPG family income limit for eligibility for discounted care \_\_\_\_%

**11** Explained the basis for calculating amounts charged to patients? . . . . .  
 If "Yes," indicate the factors used in determining such amounts (check all that apply)

**a**  Income level  
**b**  Asset level  
**c**  Medical indigency  
**d**  Insurance status  
**e**  Uninsured discount  
**f**  Medicaid/Medicare  
**g**  State regulation  
**h**  Other (describe in Part VI)

**12** Explained the method for applying for financial assistance? . . . . .

**13** Included measures to publicize the policy within the community served by the hospital facility? . . . . .  
 If "Yes," indicate how the hospital facility publicized the policy (check all that apply)

**a**  The policy was posted at all times on the hospital facility's web site  
**b**  The policy was attached to all billing invoices  
**c**  The policy was posted in the hospital facility's emergency rooms or waiting rooms  
**d**  The policy was posted in the hospital facility's admissions offices  
**e**  The policy was provided, in writing, to patients upon admission to the hospital facility  
**f**  The policy was available upon request  
**g**  Other (describe in Part VI)

	<b>Yes</b>	<b>No</b>
<b>10</b>		
<b>11</b>		
<b>12</b>		
<b>13</b>		

**Billing and Collections**

**14** Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment? . . . . .  
**14**

**15** Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year  
**a**  Reporting to credit agency  
**b**  Lawsuits  
**c**  Liens on residences  
**d**  Body attachments  
**e**  Other (describe in Part VI)

**16** Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? . . . . .  
 If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)  
**a**  Reporting to credit agency  
**b**  Lawsuits  
**c**  Liens on residences  
**d**  Body attachments  
**e**  Other (describe in Part VI)  
**16**

**17** Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)  
**a**  Notified patients of the financial assistance policy upon admission  
**b**  Notified patients of the financial assistance policy prior to discharge  
**c**  Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills  
**d**  Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance  
**e**  Other (describe in Part VI)

**Part V Facility Information (continued)****Policy Relating to Emergency Medical Care**

**18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate the reasons why (check all that apply)

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility did not have a policy relating to emergency medical care
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>		

**Charges for Medical Care**

**19** Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- a**  The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b**  The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c**  The hospital facility used the Medicare rate for those services
- d**  Other (describe in Part VI)

<b>20</b>		
<b>21</b>		

**20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Part VI

**21** Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? . . . . .

If "Yes," explain in Part VI

**Part V Facility Information (continued)****Section B. Facility Policies and Practices.**

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

Name of Hospital Facility: PHOENIX CHILDREN'S HOSPITAL-NICULine Number of Hospital Facility (from Schedule H, Part V, Section A): 2

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . .	1	
If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment <u>20</u> . . . . .	3	
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	4	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	5	
5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . .		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . . .	9	
If "Yes," indicate the FPG family income limit for eligibility for free care <u>  %</u>		

**Part V Facility Information (continued)**

**10** Used FPG to determine eligibility for providing *discounted* care to low income individuals? . . . . .  
 If "Yes," indicate the FPG family income limit for eligibility for discounted care \_\_\_\_%  
**11** Explained the basis for calculating amounts charged to patients? . . . . .  
 If "Yes," indicate the factors used in determining such amounts (check all that apply)  
 a  Income level  
 b  Asset level  
 c  Medical indigency  
 d  Insurance status  
 e  Uninsured discount  
 f  Medicaid/Medicare  
 g  State regulation  
 h  Other (describe in Part VI)  
**12** Explained the method for applying for financial assistance? . . . . .  
**13** Included measures to publicize the policy within the community served by the hospital facility? . . . . .  
 If "Yes," indicate how the hospital facility publicized the policy (check all that apply)  
 a  The policy was posted at all times on the hospital facility's web site  
 b  The policy was attached to all billing invoices  
 c  The policy was posted in the hospital facility's emergency rooms or waiting rooms  
 d  The policy was posted in the hospital facility's admissions offices  
 e  The policy was provided, in writing, to patients upon admission to the hospital facility  
 f  The policy was available upon request  
 g  Other (describe in Part VI)

	<b>Yes</b>	<b>No</b>
<b>10</b>		
<b>11</b>		
<b>12</b>		
<b>13</b>		

**Billing and Collections**

**14** Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment? . . . . .  
**15** Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year  
 a  Reporting to credit agency  
 b  Lawsuits  
 c  Liens on residences  
 d  Body attachments  
 e  Other (describe in Part VI)  
**16** Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? . . . . .  
 If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)  
 a  Reporting to credit agency  
 b  Lawsuits  
 c  Liens on residences  
 d  Body attachments  
 e  Other (describe in Part VI)  
**17** Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)  
 a  Notified patients of the financial assistance policy upon admission  
 b  Notified patients of the financial assistance policy prior to discharge  
 c  Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills  
 d  Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance  
 e  Other (describe in Part VI)

<b>14</b>		
<b>15</b>		
<b>16</b>		

**Part V Facility Information (continued)****Policy Relating to Emergency Medical Care**

**18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate the reasons why (check all that apply)

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility did not have a policy relating to emergency medical care
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>		

**Charges for Medical Care**

**19** Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- a**  The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b**  The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c**  The hospital facility used the Medicare rate for those services
- d**  Other (describe in Part VI)

<b>20</b>		
<b>21</b>		

**20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Part VI

**21** Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? . . . . .

If "Yes," explain in Part VI

**Part V Facility Information (continued)****Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**  
(list in order of size, measured by total revenue per facility, from largest to smallest)How many non-hospital facilities did the organization operate during the tax year? 6

Name and address		Type of Facility (Describe)
1	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
2	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
3	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
4	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
5	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
6	PHOENIX CHILDREN'S HOSPITAL 1920 E CAMBRIDGE AVENUE PHOENIX, AZ 85006	SURGERY CENTER
7		
8		
9		
10		

**Part VI Supplemental Information**

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS AT COST	SCHEDULE H, PART I, LINE 7	COSTS ARE REPORTED USING A COST TO CHARGE RATIO. THE RATIO WAS CALCULATED BY DIVIDING TOTAL CHARGES RECORDED FOR ALL PATIENTS BY TOTAL EXPENSES REQUIRED TO PROVIDE THAT CARE. COLUMN F - BAD DEBT EXPENSE OF \$10,297,126 WAS SUBTRACTED FROM TOTAL EXPENSES IN THE DENOMINATOR FOR PURPOSES OF CALCULATING THE PERCENTAGES FOR THIS COLUMN. LINE 7G - THE AMOUNT REPORTED INCLUDES \$1,120,662 OF COSTS RELATED TO THE OPERATIONS OF PHYSICIAN CLINICS
COSTING METHODOLOGY	SCHEDULE H, PART III, LINE 4	THE COSTING METHODOLOGY IS CONSISTENT WITH THE METHODOLOGY USED IN PART I, LINE 7
MEDICARE	SCHEDULE H, PART III, LINE 8	THE SHORTFALL OF REVENUE OVER THE COST TO PROVIDE CARE WHICH IS CALCULATED USING THE HOSPITAL'S COST TO CHARGE RATIO SHOULD BE CONSIDERED CHARITY CARE. THE COSTS WERE CALCULATED USING THE COST TO CHARGE RATIO FROM THE MOST RECENTLY FILED MEDICARE COST REPORT
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	COMMUNITY NEEDS ARE DETERMINED VIA AN ASSESSMENT OF MULTIPLE STAKEHOLDERS, STATE AND FEDERAL GOVERNMENT REPORTS, AND PATIENT DATA. PRIORITIES AND PROGRAMS ARE DEVELOPED TO SERVE THESE DEMONSTRATED NEEDS, WITH A SPECIAL FOCUS ON POPULATIONS THAT ARE KNOWN TO HAVE DIFFICULTY ACCESSING CARE AND PROGRAMS THAT IMPROVE OVERALL PEDIATRIC HEALTH AND SAFETY
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	FINANCIAL COUNSELORS ARE AVAILABLE TO ASSIST PATIENTS WITH INSURANCE COMPANIES, STATE AGENCIES, ACCESS TO PCH DISCOUNTED CARE OR APPLYING FOR THE HOSPITAL'S CHARITY CARE POLICY. INFORMATION REGARDING THE CHARITY CARE POLICY IS AVAILABLE ON OUR WEB SITE. FINANCIAL COUNSELORS INTERVIEW PARENTS OF CHILDREN WHO ARE UNINSURED AND UNDERINSURED. AHCCCS APPLICATIONS ARE INITIATED BY PCH ON BEHALF OF THE PATIENTS AND IF THE PARENTS DO NOT QUALIFY, FINANCIAL COUNSELORS PROCEED WITH THE FINANCIAL ASSISTANCE PROCESS
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	BASED ON STATISTICS GATHERED BY THE ANN E CASEY KIDS COUNT SURVEY, THE STATE OF ARIZONA HAS A POPULATION OF OVER 1.3 MILLION PEOPLE UNDER THE AGE OF 18, 35% OF WHICH ARE 5 YEARS AND UNDER. THE SAME POPULATION IS 46% WHITE AND 40% HISPANIC. ACCORDING TO THE SURVEY, THERE WERE 621,000 CHILDREN ENROLLED IN MEDICAID, AN ESTIMATED 257,442 CHILDREN UNINSURED AND AN ESTIMATED 190,507 CHILDREN UNINSURED BUT ELIGIBLE FOR MEDICAID. 273,390 OR 20% OF CHILDREN WERE AT OR BELOW THE FEDERAL POVERTY LEVEL AND 464,762 AT OR BELOW 150% FEDERAL POVERTY LEVEL
PROMOTION OF COMMUNITY HEALTH	PART VI, LINE 5	PCH HAS DEVELOPED SIGNATURE COMMUNITY OUTREACH PROGRAMS THAT SERVE SPECIFIC POPULATIONS WITH SERIOUS HEALTHCARE NEEDS AND LIMITED ACCESS TO CARE. ONE EXAMPLE IS THE CREWS'N HEALTHMOBILE MOBILE MEDICAL VAN THAT SERVES HOMELESS YOUTH. IN ADDITION, PCH HAS IDENTIFIED THREE MAJOR AREAS OF FOCUS FOR COMMUNITY OUTREACH AND EDUCATION: INJURY PREVENTION, HEALTHY CHILDREN AND FAMILIES, AND CHILD ABUSE PREVENTION. PCH SPONSORS AND ADMINISTERS MULTIPLE PROGRAMS IN THESE THREE CATEGORIES. COMMUNITY BENEFIT ENCOMPASSES A WIDE VARIETY OF RESOURCES AND PROGRAMS. HIGHLIGHTS INCLUDE: CHARITY CARE BECAUSE NO CHILD IS DENIED NEEDED CARE DUE TO AN INABILITY TO PAY, FREE OR DISCOUNTED CARE WAS ADMINISTERED TO UNINSURED OR UNDERINSURED PATIENTS. GOVERNMENT-SPONSORED HEALTHCARE. PCH ALSO DELIVERS HEALTHCARE TO INDIGENT PATIENTS. GOVERNMENT-SPONSORED HEALTHCARE COVERAGE REIMBURSES ONLY A PORTION OF THE COSTS OF THIS CARE. THE UNREIMBURSED PORTION IS A COMMUNITY BENEFIT DELIVERED BY PCH. COMMUNITY OUTREACH PROGRAMS PCH HAS DEVELOPED SIGNATURE COMMUNITY OUTREACH PROGRAMS THAT SERVE SPECIFIC POPULATIONS WITH SERIOUS HEALTHCARE NEEDS AND LIMITED ACCESS TO CARE. ONE EXAMPLE IS THE CREWS'N HEALTHMOBILE MOBILE MEDICAL VAN THAT SERVES HOMELESS YOUTH. SUBSIDIZED PROGRAMS PCH SUBSIDIZES CERTAIN MEDICAL PROGRAMS WHERE WE ARE UNIQUELY QUALIFIED TO PROVIDE THE CARE OR WHERE PATIENTS HAVE LIMITED ACCESS TO CARE. EXAMPLES INCLUDE THE BILL HOLT HIV/AIDS CLINIC AND THE HEALTHY STEPS PROGRAM. EDUCATION CONTINUING EDUCATION FOR TODAY'S PHYSICIANS AND NURSES, AS WELL AS EDUCATING THE NEXT GENERATION OF HEALTHCARE PROVIDERS IS A PRIME FOCUS FOR PCH. CONTINUING MEDICAL EDUCATION PROGRAMS INCLUDE RESIDENCY AND FELLOWSHIP TRAINING, A SERIES OF CLINICAL EDUCATION PROGRAMS, AND THE HOSPITALS PREMIER PROGRAM -- GAPP, WHICH PROVIDES SPECIALIZED TRAINING TO NURSES WHO ARE NEW TO PEDIATRICS. RESEARCH PCH'S CLINICIANS CONDUCTED RESEARCH STUDIES TO ADVANCE MEDICAL KNOWLEDGE. THE INSTITUTIONAL REVIEW BOARD PROVIDES INSTITUTIONAL INFRASTRUCTURE TO SUPPORT RESEARCH EFFORTS AT PCH, AS WELL AS IN COLLABORATION WITH OTHER INSTITUTIONS SUCH AS MAYO CLINIC, UNIVERSITY OF ARIZONA SCHOOL OF MEDICINE, AND TRANSLATIONAL GENOMICS RESEARCH INSTITUTE. COMMUNITY BENEFIT OPERATIONS PCH UNDERWRITES THE ADMINISTRATIVE COSTS OF MANAGING COMMUNITY BENEFIT PROGRAMS AND CONTRIBUTES TIME, MEETING SPACE, AND OTHER RESOURCES THAT ENHANCE THE ABILITY OF OUR COMMUNITY'S MOST EFFECTIVE COMMUNITY SERVICE PROGRAMS TO MEET HUMAN NEEDS. CHARITY CARE POLICY PCH'S CHARITY CARE POLICY WAS ESTABLISHED IN ORDER TO IDENTIFY AND ASSIST PATIENTS WHO LACK THE FINANCIAL RESOURCES TO MEET ALL OR PART OF THEIR FINANCIAL LIABILITY FOR SERVICES RENDERED AND TO DETERMINE THEIR ELIGIBILITY FOR PCH-BASED FINANCIAL ASSISTANCE. MEDICAL INTERPRETER/TRANSLATION SERVICES CLEAR COMMUNICATION BETWEEN PATIENTS AND PROVIDERS IS AN URGENT HEALTH AND SAFETY ISSUE. PHOENIX CHILDREN'S MEDICAL INTERPRETER/TRANSLATOR PROGRAM IS THE NATIONAL MODEL TO IMPROVE COMMUNICATION AND SAFETY WITH THE HISPANIC POPULATION AT 20 CHILDREN'S HOSPITALS. MEDICAL INTERPRETER TRAINERS FROM NATIONAL AND LOCAL HOSPITALS GATHERED AT PHOENIX CHILDREN'S FOR TRAINING DESIGNED TO IMPROVE COMMUNICATION AND SAFETY FOR PATIENTS AND THEIR FAMILIES. ATTENDEES WERE TRAINED IN TEACHING BILINGUAL HEALTHCARE WORKERS MEDICAL TERMS, INTERPRETING PROTOCOL AND MULTICULTURAL UNDERSTANDING. SINCE 2001, THE HOSPITAL HAS TRAINED NEARLY 1,000 STUDENTS IN MEDICAL TERMINOLOGY, INTERPRETING ETHICS, LEADERSHIP, CULTURAL DIFFERENCES AND TEAM BUILDING. CHILD ABUSE PREVENTION AT LEAST FOUR U.S. CHILDREN DIE AS A RESULT OF CHILD ABUSE IN THE HOME EACH DAY. ACCORDING TO THE ARIZONA DEPARTMENT OF HEALTH, 65 ARIZONA CHILDREN DIED AS A RESULT OF MALTREATMENT IN 2007 (THE MOST RECENT YEAR FOR WHICH NUMBERS ARE AVAILABLE). THE OVERWHELMING MAJORITY OF THESE VICTIMS ARE UNDER THE AGE OF FIVE. CHILD ABUSE AND NEGLECT ARE PREVENTABLE, YET EACH YEAR IN THE UNITED STATES, CLOSE TO ONE MILLION CHILDREN ARE CONFIRMED VICTIMS OF CHILD MALTREATMENT. THE COSTS OF RESPONDING TO THE IMPACT OF CHILD ABUSE AND NEGLECT ARE BORNE BY THE VICTIMS AND THEIR FAMILIES BUT ALSO BY OUR COMMUNITY. A RECENT REPORT BY THE PEW CHARITABLE TRUST ESTIMATES THE ANNUAL COST OF CHILD ABUSE AND NEGLECT IS AN ASTOUNDING \$103.8 BILLION NATIONWIDE. EVERY APRIL IS CHILD ABUSE PREVENTION MONTH AND PHOENIX CHILDREN'S IS A LEADER IN THE COMMUNITY IN PROMOTING THE MESSAGE OF PREVENTION. NO ONE CAN DO EVERYTHING -- NO ONE PARENT, GRANDPARENT, TEACHER, NEIGHBOR, ELECTED OFFICIAL, AGENCY OR INDIVIDUAL. BUT EVERYONE CAN DO SOMETHING. 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A RECENT REPORT BY THE PEW CHARITABLE TRUST ESTIMATES THE ANNUAL COST

**Schedule I  
(Form 990)**

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

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

**► Attach to Form 990**

2010

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Phoenix Children's Hospital

**Employer identification number**

## **Part I General Information on Grants and Assistance**

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

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

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
(1) NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS INC 401 WYTHE ST ALEXANDRIA, VA 22314	58-2176067	501(C)(6)	21,126				
(2) CELEBRITY FIGHT NIGHT FOUNDATION 2111 E HIGHLAND AVE STE 135 PHOENIX, AZ 85016	86-0903119	501(C)(3)	18,000				
(3) AMERICAN HEART ASSOCIATION 710 2ND AVE STE 900 SEATTLE, WA 98104	13-5613797	501(C)(3)	13,000				
(4) RONALD MCDONALD HOUSE CHARITIES OF PHOENIX 501 E ROANOKE AVE PHOENIX, AZ 85004	86-0483792	501(C)(3)	5,500				
(5) THE WELLNESS COMMUNITY - ARIZONA 360 E PALM LN PHOENIX, AZ 85004	86-0897810	501(C)(3)	5,500				
(6) ARIZONA HEMOPHILIA ASSOCIATION	86-0209257	501(C)(3)	335,000				

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

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

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

Identifier	Return Reference	Explanation
SCHEDULE I, PART I, QUESTION 2	DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	PHOENIX CHILDREN'S HOSPITAL RELY ON THE GOVERNANCE PRACTICES OF THE RECIPIENT ORGANIZATIONS TO MONITOR USE OF THE FUNDS

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

OMB No 1545-0047

**2010**Department of the Treasury  
Internal Revenue Service

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

**Open to Public Inspection****Name of the organization**  
Phoenix Children's Hospital**Employer identification number**

86-0422559

**Part I Questions Regarding Compensation**

Yes

No

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

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

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

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

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

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

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

**a** Receive a severance payment or change-of-control payment from the organization or a related organization?

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

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

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

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

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

**a** The organization?

**b** Any related organization?

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

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

**a** The organization?

**b** Any related organization?

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

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

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

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

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

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J PART I	<p>SEVERANCE PAYMENTS LINE 4A) DEBRA PENDERGAST RECEIVED SEVERANCE PAY OF \$115,385 ED TROELL RECEIVED SEVERANCE PAY OF \$56,615 DANIEL CLOUD RECEIVED SEVERANCE PAY OF \$68,509 LINE 4B) PHOENIX CHILDREN'S HOSPITAL OFFERS A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN TO CERTAIN EXECUTIVES OF THE ORGANIZATION. ELIGIBLE PARTICIPANTS ARE SELECTED BY THE BOARD OF DIRECTORS. PARTICIPANT VESTING OCCURS UPON RETIREMENT, DISABILITY BEFORE SEPARATION, INVOLUNTARY SEPARATION (OTHER THAN FOR CAUSE) OR DEATH. THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE SERP PLAN AND HAD DEFERRED CONTRIBUTION DURING 2010: ROBERT MEYER - \$172,859 CRAIG MCKNIGHT - \$11,746 SHANE BROPHY - \$16,500 TOM DIEDERICH - \$27,832 BETSY KUZAS - \$31,524 CARMEN NEUBERGER - \$26,891 DERRICK PARKER - \$25,620 DEBRA PENDERGAST - \$708 ROBERT SARNECKI - \$23,058 ED TROELL - \$10,111 DEBRA WESLEY - \$6,526 SUPPLEMENTAL COMPENSATION INFORMATION SCHEDULE J - FOOTNOTES: ELIZABETH ZORN, MD AND BRUCE MORGENSEN, MD RECEIVED COMPENSATION FOR MEDICAL SERVICES RENDERED IN THE CAPACITY OF STAFF PHYSICIANS FOR PHOENIX CHILDREN'S HOSPITAL, NOT FOR THEIR DUTIES AS CURRENT OR FORMER BOARD MEMBERS. ROBERT MEYER, CRAIG MCKNIGHT, DEBRA PENDERGAST, MURRAY POLLACK, MD, ROBERT SARNECKI, DERRICK PARKER, BETSY KUZAS, TOM DIEDERICH, CARMEN NEUBERGER, ED TROELL, SHANE BROPHY AND DEBRA WESLEY WERE ELIGIBLE FOR THE EXECUTIVE INCENTIVE PLAN OF PHOENIX CHILDREN'S HOSPITAL IN WHICH ONE OF THE PERFORMANCE MEASURES WAS EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTIZATION. THIS INCENTIVE PLAN WAS APPROVED BY THE COMPENSATION COMMITTEE.</p>

**Software ID:**  
**Software Version:**  
**EIN:** 86-0422559  
**Name:** Phoenix Children's Hospital

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ELIZABETH ZORN MD	(i) 306,000 (ii) 0	52,199 0	8,946 0	9,800 0	17,449 0	394,394 0	0 0
ROBERT L MEYER	(i) 665,000 (ii) 0	448,875 0	17,103 0	182,659 0	17,809 0	1,331,446 0	0 0
CRAIG MCKNIGHT	(i) 261,538 (ii) 0	60,000 0	18,378 0	14,885 0	13,174 0	367,976 0	0 0
DEBRA K PENDERGAST	(i) 134,952 (ii) 0	12,244 0	130,516 0	6,069 0	9,387 0	293,168 0	0 0
MURRAY M POLLACK MD	(i) 444,000 (ii) 0	194,706 0	81,067 0	9,800 0	11,806 0	741,379 0	0 0
ROBERT SARNECKI	(i) 232,000 (ii) 0	97,649 0	13,709 0	32,858 0	15,641 0	391,857 0	0 0
DERRICK E PARKER	(i) 315,000 (ii) 0	35,997 0	9,708 0	35,420 0	21,914 0	418,039 0	0 0
BETSY G KUZAS	(i) 290,769 (ii) 0	109,434 0	17,034 0	41,309 0	5,464 0	464,010 0	0 0
THOMAS J DIEDERICH	(i) 260,000 (ii) 0	109,434 0	16,599 0	49,832 0	18,493 0	454,358 0	0 0
CARMEN L NEUBERGER	(i) 267,308 (ii) 0	94,284 0	11,051 0	36,691 0	6,396 0	415,730 0	0 0
EDWARD C TROELL JR	(i) 166,880 (ii) 0	54,876 0	115,025 0	15,206 0	2,806 0	354,793 0	0 0
PHILIP ADELSON MD	(i) 1,004,800 (ii) 0	32,212 0	10,195 0	9,800 0	23,026 0	1,080,033 0	0 0
JEFFREY M PEARL MD	(i) 617,620 (ii) 0	203,563 0	13,615 0	9,800 0	20,588 0	865,187 0	0 0
LEE S SEGAL MD	(i) 534,200 (ii) 0	129,251 0	8,540 0	9,800 0	22,459 0	704,250 0	0 0
DAVID SHAFRON MD	(i) 635,700 (ii) 0	2,200 0	12,264 0	4,552 0	22,257 0	676,973 0	0 0
DANIEL T CLOUD MD	(i) 0 (ii) 0	0 0	68,509 0	0 0	0 0	68,509 0	0 0
SHANE BROPHY	(i) 153,750 (ii) 0	125,667 0	16,419 0	16,500 0	4,892 0	317,228 0	0 0
DEBORAH E WESLEY	(i) 93,870 (ii) 0	180,974 0	16,612 0	9,876 0	3,963 0	305,296 0	0 0
BRUCE MORGENSEN MD	(i) 198,131 (ii) 0	38,030 0	5,361 0	7,594 0	20,596 0	269,713 0	0 0
RICHARD B TOWBIN MD	(i) 540,000 (ii) 0	150,000 0	18,488 0	9,800 0	17,548 0	735,836 0	0 0

**Schedule K  
(Form 990)****2010****Open to Public  
Inspection**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.

Name of the organization  
Phoenix Children's HospitalEmployer identification number  
86-0422559**Part I Bond Issues**

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

**Part II Proceeds**

1	Amount of bonds retired	A		B		C		D	
		0	0	0	0	0	0	0	0
2	Amount of bonds legally defeased								
3	Total proceeds of issue		358,942,335		100,011,884				
4	Gross proceeds in reserve funds		0		0				
5	Capitalized interest from proceeds		0		0				
6	Proceeds in refunding escrow		0		85,676,857				
7	Issuance costs from proceeds		2,280,950		651,700				
8	Credit enhancement from proceeds		0		0				
9	Working capital expenditures from proceeds		0		0				
10	Capital expenditures from proceeds		347,719,050		13,671,443				
11	Other spent proceeds		0		0				
12	Other unspent proceeds		0		0				
13	Year of substantial completion		2011		2011				
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X				
<b>3a</b> Are there any management or service contracts that may result in private business use?		X		X				
<b>b</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X				
<b>c</b> 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				
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 %		0 %					
<b>5</b> 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 %					
<b>6</b> Total of lines 4 and 5	0 %		0 %					
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X				
<b>1</b> 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				
<b>2</b> Is the bond issue a variable rate issue?	X		X					
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X					
<b>b</b> Name of provider	BANK OF AMERICA ML		BANK OF AMERICA ML					
<b>c</b> Term of hedge	32 8		35					
<b>d</b> Was the hedge superintegrated?		X		X				
<b>e</b> Was a hedge terminated?		X		X				
<b>4a</b> Were gross proceeds invested in a GIC?		X		X				
<b>b</b> Name of provider								
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X				
<b>6</b> Did the bond issue qualify for an exception to rebate?	X		X					

**Part V Supplemental Information**

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

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	PART I, LINE B, COLUMN (F) - DESCRIPTION OF PURPOSE	CAMPUS EXPANSION - SERIES C, REFUNDING 11/29/99 AND 2/20/02 BONDS

## Schedule L

## **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

2010

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

## Phoenix Children's Hospital

**Employer identification number**

86-0422559

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

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

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

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

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

## **Part II      Loans to and/or From Interested Persons.**

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

### **Part III Grants or Assistance Benefitting Interested Persons.**

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

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JENNIFER M RISPOLI	DAUGHTER OF CEO	61,894	EMPLOYEE OF PCH		No
(2) BRIAN MEYER	SON OF CEO	49,882	EMPLOYEE OF PCH		No

**Part V Supplemental Information**

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

Identifier	Return Reference	Explanation

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

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

**2010****Open to Public  
Inspection****Name of the organization**

Phoenix Children's Hospital

**Employer identification number**

86-0422559

Identifier	Return Reference	Explanation
VOLUNTEERS	FORM 990, PART I, LINE 6	VOLUNTEERS MAKE A DIFFERENCE FOR PATIENTS AND FAMILIES AT PHOENIX CHILDREN'S HOSPITAL (PCH) EVERY DAY BY GIVING THE GIFT OF TIME. THE VOLUNTEERS EACH HAVE SOMETHING UNIQUE TO OFFER AND COME FROM ALL BACKGROUNDS AND WALKS OF LIFE. VOLUNTEERS ARE AN IMPORTANT PART OF PCH'S TEAM THAT PROVIDES THE BEST HOPE, HEALING AND CARE TO CHILDREN AND FAMILIES. EACH WEEK, OVER 500 VOLUNTEERS DONATE THREE TO FOUR HOURS OF SERVICE IN OVER 30 AREAS IN THE HOSPITAL. PCH VOLUNTEERS PLEDGE A MINIMUM OF 100 HOURS AND MUST BE AT LEAST 16 YEARS OF AGE. VOLUNTEERS GO THROUGH THE SAME SCREENING AND ORIENTATION PROCESS AS EMPLOYEES IN TERMS OF APPLICATION, BACKGROUND CHECK, GENERAL HOSPITAL ORIENTATION, HIPAA, CONFIDENTIALITY TRAINING, EXTENSIVE HANDS-ON TRAINING AND ADDITIONAL TRAINING AS NECESSARY FOR DIFFERENT POSITIONS.

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	<p>PCH IS A FULL-SERVICE CHILDRENS HOSPITAL THAT PROVIDES PEDIATRIC INTENSIVE AND CARDIAC CARE, PEDIATRIC SPECIALISTS, NEONATAL SERVICES, GENERAL PEDIATRICS, AND OUTPATIENT SPECIALTY SERVICES PCH IS ONE OF THE TEN LARGEST FREESTANDING CHILDRENS HOSPITALS IN THE NATION SUSTAINED BY ONE OF THE MOST COMPREHENSIVE ARRAYS OF PEDIATRIC SPECIALISTS IN THE SOUTHWEST PCH OPERATES AS A FREESTANDING, SPECIALIZED PEDIATRIC HOSPITAL ON A 23-ACRE CAMPUS ON THOMAS ROAD IN PHOENIX, ARIZONA THE CAMPUS CONSISTS OF A FIVE-STORY, 265,000-SQUARE FOOT PEDIATRIC HOSPITAL (INCLUDING AN EMERGENCY DEPARTMENT), ONE MEDICAL OFFICE BUILDING, ONE OUTPATIENT CLINIC AND TWO OTHER SERVICE BUILDINGS PCH ALSO OPERATES A 64-BED NEONATAL INTENSIVE CARE UNIT (NICU) IN PHOENIX WITHIN BANNER GOOD SAMARITAN REGIONAL MEDICAL CENTER AT DECEMBER 31, 2010, PCH HAD 345 LICENSED IN-SERVICE BEDS FOR INTENSIVE CARE, NEONATAL SERVICES AND GENERAL PEDIATRIC CARE OUTPATIENT PEDIATRIC SPECIALTY SERVICES ARE OFFERED ON THE THOMAS ROAD CAMPUS AND AT THREE SATELLITE OFFICES THROUGHOUT THE METROPOLITAN AREA THROUGH ITS BROAD RANGE OF SUPERIOR PEDIATRIC SERVICES INCLUDING NEUROLOGY, ENDOCRINOLOGY, CHEMOTHERAPY, CARDIOLOGY AND OTHER MEDICAL SERVICES, PCH HAS PROVIDED A DISTINGUISHED INDEPENDENT HEALTH FACILITY FOR THE CHILDREN OF ARIZONA PCH DELIVERS ON ITS MISSION TO PROVIDE HOPE, HEALING, AND THE BEST CARE FOR CHILDREN AND FAMILIES BY PROVIDING ACCESS TO THE MOST ADVANCED SPECIALTY AND SUBSPECIALTY PEDIATRIC CARE IN ARIZONA PCH EXTENDS THIS MISSION BEYOND OUR PATIENT POPULATION BY DELIVERING DIRECT FUNDING, PROGRAM SUPPORT, HEALTHCARE EXPERTISE, AND OTHER RESOURCES TO THE MOST VULNERABLE MEMBERS OF OUR COMMUNITY AND TO THE COMMUNITY AT LARGE PCH IS ARIZONAS ONLY LICENSED, FREE-STANDING CHILDRENS HOSPITAL AND THUS SERVES THE ENTIRE STATE AND BEYOND AS SUCH, PCH IS THE SINGLE LARGEST PROVIDER OF PEDIATRIC SERVICES TO LOW-INCOME CHILDREN IN ARIZONA, 53 PERCENT OF PATIENTS ARE MEDICAID BENEFICIARIES THE FOLLOWING DESCRIBES PCH'S SIX CENTERS OF EXCELLENCE AND OTHER MEDICAL SEVICES CENTER FOR CANCER AND BLOOD DISORDERS WITH 17 SUBSPECIALTY-TRAINED PHYSICIANS PROVIDING EXPERT CARE IN THE AREAS OF BLOOD AND MARROW TRANSPLANT, NEUROONCOLOGY, HEMATOLOGY, SOLID TUMORS, SURVIVORSHIP, EARLY DRUG DEVELOPMENT AND LIQUID TUMORS, THE CENTER FOR CANCER AND BLOOD DISORDERS IS THE STATE'S ONLY TREATMENT PROGRAM FULLY DEDICATED TO PEDIATRIC PATIENTS BY THE END OF 2010, THE TOTAL NUMBER OF BLOOD AND MARROW TRANSPLANTS COMPLETED WAS 135 THIS LIFE-SAVING TREATMENT IS OFFERED THROUGH THE HOSPITAL'S OTTOSEN FAMILY BLOOD AND MARROW TRANSPLANT PROGRAM IN COLLABORATION WITH MAYO CLINIC ARIZONA WHAT'S MORE, THE CENTER FOR CANCER AND BLOOD DISORDERS BEGAN OFFERING OUTPATIENT SERVICES AT THE HOSPITAL'S SPECIALTY AND URGENT CARE - EAST VALLEY CENTER, EASING THE DEMANDS OF TRAVEL FOR PATIENTS AND FAMILIES LIVING IN THAT AREA THE ONLY LOCATION IN THE STATE TO OFFER PHASE I CLINICAL TRIALS, THE CENTER HAS GROWN TO BECOME ONE OF THE LARGEST PROGRAMS OF ITS KIND IN THE U S CHILDREN'S HEART CENTER THE CHILDREN'S HEART CENTER BECAME THE NATION'S FIFTH LARGEST PROGRAM OF ITS KIND WHEN THE STRATEGIC ALLIANCE TRANSACTION UNITED PHOENIX CHILDREN'S AND ST JOSEPH'S HOSPITAL AND MEDICAL CENTER'S PEDIATRIC PROGRAMS THE CENTER OFFERS A FULL ARRAY OF RELATED DIAGNOSTIC AND TREATMENT OPTIONS THAT INCLUDE INVASIVE AND NON-INVASIVE CARDIOTHORACIC SERVICES WITH EXPERTISE IN CARDIAC-SPECIFIC ANESTHESIA AND INTENSIVE CARE, THE GROUP COMPLETED MORE THAN 350 PEDIATRIC HEART SURGERIES IN 2010 HOME TO THE STATE'S ONLY TWO PEDIATRIC-DEDICATED CARDIAC CATHETERIZATION FACILITIES, THE CENTER'S SPACE IN THE NEW TOWER INCLUDES A 24-BED CARDIOVASCULAR INTENSIVE CARE UNIT STAFFED BY SPECIALLY TRAINED PERSONNEL WHO HAVE ACCESS TO CUTTING-EDGE CARDIAC THERAPIES LIKE EXTRACORPOREAL MEMBRANE OXYGENATION (ECMO), A TYPE OF HEART-LUNG BYPASS FOR YOUNG PATIENTS ADDITIONALLY, THE HEART CENTER HAS RECEIVED CERTIFICATION THROUGH UNOS FOR A PEDIATRIC HEART TRANSPLANT PROGRAM CENTER FOR PEDIATRIC ORTHOPAEDICS PHOENIX CHILDREN'S CENTER FOR PEDIATRIC ORTHOPAEDICS IS DEDICATED TO OFFERING THE MOST COMPREHENSIVE, STATE-OF-THE-ART CARE FOR CHILDREN WHO HAVE EXPERIENCED MUSCULOSKELETAL INJURY OR ARE LIVING WITH RELATED DISEASES OR CONDITIONS THE GROUP IS COMPOSED OF SIX FELLOWSHIP-TRAINED PHYSICIANS WHO PROVIDE ORTHOPAEDIC SURGICAL AND NON-SURGICAL CARE THROUGH A VARIETY OF CLINICS TO CHILDREN AND TEENS WITH FRACTURES, HIP DISORDERS, MUSCULAR DYSTROPHY, SPINAL DEFORMITIES AND CLUBFOOT ALSO, THE PCH SPORTS MEDICINE PROGRAM PROVIDES SURGICAL AND NON-SURGICAL CARE TO YOUNG ATHLETES WHO HAVE EXPERIENCED INJURY DURING PHYSICAL ACTIVITY THE PROGRAM ALSO ADDED A PRIMARY CARE SPORTS MEDICINE PHYSICIAN TO ITS TEAM WHO, IN ADDITION TO CARING FOR BONE AND JOINT INJURIES, ALSO SPECIALIZES IN TREATING ATHLETES WITH SPORTS-INDUCED CONCUSSION AS THE CENTER FOR PEDIATRIC ORTHOPAEDICS GROWS, THE GROUP PLANS TO ADD PROGRAMS FOR SPINA BIFIDA, MUSCULOSKELETAL TUMORS, CEREBRAL PALSY AND A GAIT LAB CHILDREN'S NEUROSCIENCE INSTITUTE IN ADDITION TO THE COMPREHENSIVE CARE IT PROVIDES CHILDREN WITH NEUROLOGICAL AND BEHAVIORAL CONDITIONS, THE CHILDREN'S NEUROSCIENCE INSTITUTE WAS ALSO ACTIVE ON ANOTHER FRONT RESEARCH IN 2010, P DAVID ADELSON, MD, FACS, FAAP, DIRECTOR OF THE INSTITUTE, ALONG WITH OTHER RESEARCHERS, WAS AWARDED A THREE-YEAR GRANT FOR THE DEVELOPMENT OF A BRAIN-COMPUTER INTERFACE, A TECHNOLOGY THAT COULD ONE DAY HELP PATIENTS WITH NEUROLOGICAL DISORDERS USE THE POWER OF THEIR BRAINS TO CREATE MOVEMENT CNI NEUROLOGISTS JEFFREY BUCHHALTER, MD, PHD, AND RANDA JARRAR, MD, COLLABORATED WITH RESEARCHERS AT ARIZONA STATE UNIVERSITY ON ANOTHER STUDY, "KNOWLEDGE ABOUT EPILEPSY AND CONFIDENCE IN INSTRUCTING STUDENTS WITH EPILEPSY TEACHERS' RESPONSES TO A NEW SCALE" IN THE STUDY, 91 CURRENT TEACHERS OF A STUDENT WITH EPILEPSY AND 203 TEACHERS IN GENERAL WERE SURVEYED USING A NEW SCALE AS EXPECTED, MORE KNOWLEDGEABLE TEACHERS EXPRESSED GREATER CONFIDENCE RESULTS SUGGEST THAT SOME FACTS ABOUT EPILEPSY REQUIRE ADDITIONAL DISSEMINATION TO EDUCATORS LEVEL 1 PEDIATRIC TRAUMA CENTER TRAUMATIC INJURIES KILL MORE CHILDREN IN ARIZONA BETWEEN THE AGES OF 1 AND 14 THAN ANY OTHER CAUSE IN RESPONSE TO THIS SOBERING STATISTIC, PHOENIX CHILDREN'S HOSPITAL CREATED ITS AMERICAN COLLEGE OF SURGEONS (ACS)-VERIFIED LEVEL 1 PEDIATRIC TRAUMA CENTER IN 2008, WHERE PHYSICIANS REPRESENTING MORE THAN 12 SUBSPECIALTIES AND OTHER HIGHLY TRAINED MEDICAL PROFESSIONALS STAND AT THE READY TO PROVIDE LIFE-SAVING TREATMENT TO SERIOUSLY INJURED CHILDREN AND TEENS WHY IS IT SO IMPORTANT TO HAVE THIS IMPORTANT RESOURCE IN ARIZONA? STUDIES HAVE SHOWN CARE AT AN ACS-VERIFIED TRAUMA CENTER LIKE PHOENIX CHILDREN'S LOWERS A CHILD'S RISK OF DEATH BY 25 PERCENT SIMPLY, IT'S A BETTER OPTION THAT SAVES MORE LIVES THE TRAUMA TEAM AT PHOENIX CHILDREN'S, UNDER THE LEADERSHIP OF DR DAVID NOTRICA, HAS BEEN BUSY DOING JUST THAT SAVING LIVES BETWEEN ITS JULY 2008 OPENING AND THE END OF 2010, PHOENIX CHILDREN'S SAW MORE THAN 3,500 TRAUMA PATIENTS IN 2010 ALONE, THE HOSPITAL REPORTED 1,414 TRAUMA CASES NEARLY A QUARTER OF THOSE PATIENTS WERE BROUGHT TO PHOENIX CHILDREN'S FROM OUTSIDE MARICOPA COUNTY THE PHOENIX CHILDREN'S LEVEL 1 PEDIATRIC TRAUMA CENTER IS A VITAL REGIONAL RESOURCE NEWBORN INTENSIVE CARE UNIT OFFERING 143 LICENSED BEDS, PHOENIX CHILDREN'S NEWBORN INTENSIVE CARE UNIT IS THE LARGEST FACILITY OF ITS KIND IN ARIZONA AND AMONG THE LARGEST IN THE NATION LAST YEAR ALONE, THE NICU SERVED 1,297 LITTLE PATIENTS - SOME BORN AS MANY AS 16 WEEKS EARLY - WHO REQUIRED CARE FOR RESPIRATORY DISTRESS SYNDROME, HEART PROBLEMS, IMMATURE SKIN AND EYES AND UNDER-DEVELOPED DIGESTIVE AND NEUROLOGICAL SYSTEMS EARLY ARRIVALS AREN'T THE ONLY ONES WHO ARE TREATED IN THE NICU, BABIES WHO ARE BORN FULL-TERM, BUT WITH INFECTION, CONGENITAL BIRTH DEFECTS, IN-UTERO DRUG EXPOSURE OR COMPLICATIONS FROM TRAUMATIC BIRTH ALSO HAVE ACCESS TO THE CUTTING-EDGE CARE PROVIDED BY THE NICU TEAM FOR INFANTS WHO HAVE SUFFERED BIRTH-RELATED OXYGEN DEPRIVATION, THE HOSPITAL IS HOME TO THE ONE OF ONLY TWO COMPREHENSIVE NEURO-NICUS IN THE COUNTRY, WHERE THEY ARE MONITORED BY HIGHLY SOPHISTICATED EQUIPMENT AND TREATED WITH A STATE-OF-THE-ART WHOLE BODY COOLING SYSTEM, WHICH GREATLY REDUCE THE CHANCES THESE INFANTS WILL DEVELOP CONDITIONS LIKE CEREBRAL PALSY, MENTAL RETARDATION AND OTHER INTELLECTUAL OR PHYSICAL DEFICIENCIES</p>

Identifier	Return Reference	Explanation
OTHER MAJOR MEDICAL SERVICES		<p>DOCTORS AND NURSES ARE VITAL COMPONENTS OF THE PERSONALIZED CARE TEAM PHOENIX CHILDREN'S PROVIDES EACH OF ITS CHILDREN EQUALLY IMPORTANT TO THE HOSPITAL'S PHILOSOPHY OF CARE IS THE FAMILY MOTHERS, FATHERS, SIBLINGS, GRANDPARENTS AND OTHER MEMBERS OF A FAMILY'S SUPPORT SYSTEM IT'S THOSE FAMILY MEMBERS WHO ARE THE PRIMARY CAREGIVERS AND PROVIDE THE STRENGTH AND SUPPORT REQUIRED TO HELP OUR YOUNG PATIENTS RECOVER FROM ILLNESS AND INJURY THEY PARTNER WITH THE HOSPITAL'S TEAM TO HELP DEVELOP A PLAN OF TREATMENT THAT BEST FITS THEIR PERSONAL SITUATIONS THE HOSPITAL ALSO UNDERSTANDS THOSE FAMILY MEMBERS HAVE NEEDS, TOO AND FOR THAT REASON PHOENIX CHILDREN'S - THROUGH ITS PATIENT AND FAMILY SERVICES DEPARTMENT - OFFERS A COMPREHENSIVE SUPPORT NETWORK FOR THE ENTIRE FAMILY THROUGH SOCIAL WORK, CHAPLAINCY AND CHILD LIFE, THE LATTER A PROGRAM DEVELOPED RIGHT HERE AT PHOENIX CHILDREN'S HOSPITAL THAT HELPS PATIENTS AND OFTEN THEIR SIBLINGS COPE EMOTIONALLY AND PHYSICALLY DURING THEIR HOSPITAL STAY BY PROVIDING AGE APPROPRIATE EDUCATION PATIENTS GAIN A MEASURE OF CONTROL OVER THEIR OWN CARE BY LEARNING ABOUT IT THROUGH PLAY ROUNDING OUT THE CARE TEAM ARE COMPASSIONATE AND CARING MEMBERS OF THE COMMUNITY, OUR VOLUNTEERS, WHO MAKE AN INDELIBLE DIFFERENCE IN THE LIVES OF OUR CHILDREN, FAMILIES AND STAFF WHETHER THEY'RE ESCORTING A FAMILY TO ONE OF OUR CLINICS, SERVING AS A CANDY STRIPE OR ENTERTAINING CHILDREN IN ONE OF THE PLAY ROOMS, PHOENIX CHILDREN'S VOLUNTEERS ARE THERE TO OFFER ANOTHER LEVEL OF COMFORT AND CARE THE HOSPITAL'S PHILOSOPHY OF FAMILY-CENTERED CARE IS ALSO ONE OF THE MOTIVATIONS BEHIND ITS ALLIANCE WITH ST JOSEPH'S HOSPITAL AND MEDICAL CENTER THE UNIFICATION OF THESE PEDIATRIC PROGRAMS - WHOSE MISSIONS AND VISIONS SO CLOSELY ALIGN - FORTIFIES PHOENIX CHILDREN'S COMMITMENT TO DELIVER ON ITS PROMISE TO PROVIDE HOPE, HEALING AND THE BEST HEALTH CARE TO ARIZONA'S CHILDREN AND FAMILIES PHOENIX CHILDREN'S OFFERS WORLD-CLASS CARE IN MORE THAN 40 SUB-SPECIALTY FIELDS OF PEDIATRIC MEDICINE, INCLUDING 6 CENTERS OF EXCELLENCE LAST YEAR, PHOENIX CHILDREN'S HAD 11,378 ADMISSIONS, 57,140 VISITS TO THE EMERGENCY DEPARTMENT, 123,759 OUTPATIENT PHYSICIAN VISITS, AND 12,164 SURGICAL PROCEDURES ARIZONA'S POPULATION GROWTH MEANS PHOENIX CHILDREN'S MUST GROW, TOO THE HOSPITAL IS EXPANDING TO ADD MORE PHYSICIANS, BUILD NEW CLINICAL PROGRAMS, AND INCREASE THE NUMBER OF LICENSED BEDS TO 626 AT FULL BUILD OUT THE CENTERPIECE OF THE EXPANSION IS AN 11-STORY TOWER THAT OPENS IN 2011 PHOENIX CHILDREN'S HAS ARIZONA'S ONLY DEDICATED PEDIATRIC DIALYSIS CENTER AND PEDIATRIC KIDNEY TRANSPLANT PROGRAM PHOENIX CHILDREN'S HOSPITAL HAS 183 ICU BEDS, ONE OF THE LARGEST AMONG ALL FREESTANDING CHILDREN'S HOSPITALS IN THE COUNTRY, AND ONE OF ONLY A HANDFUL IN THE U.S. PERFORMING THE EXTRACORPOREAL MEMBRANE OXYGENATION (ECMO) PROCEDURE PHOENIX CHILDREN'S HAS THE FIRST AND ONLY PEDIATRIC RADIOLOGY FELLOWSHIP PROGRAM IN ARIZONA WHEN THE NEW TOWER IS COMPLETE, THE DIVISION OF RADIOLOGY WILL OCCUPY 45,000 SQUARE FEET OF THE FIRST FLOOR PHOENIX CHILDREN'S OPERATES TWO SPECIALTY AND URGENT CARE CENTERS, ONE IN THE EAST VALLEY AND ONE IN THE NORTHWEST VALLEY THE HOSPITAL WILL CONTINUE TO SPREAD ITS SPECIAL BRAND OF CARE ACROSS THE VALLEY WHEN WORK BEGINS ON ANOTHER FACILITY IN THE WEST VALLEY CITY OF AVONDALE IN JANUARY OF THIS YEAR, PHOENIX CHILDREN'S WELCOMED THE STATE'S ONLY BOARD-CERTIFIED PEDIATRIC TRANSPLANT HEPATOLOGIST APPROXIMATELY 60 PERCENT OF PHOENIX CHILDREN'S PATIENTS ARE COVERED BY AHCCCS, ARIZONA'S MEDICAID PROGRAM FOR LOW-INCOME FAMILIES THE TRACHEOTOMY AND AIRWAY PROGRAM IS THE ONLY COMPREHENSIVE INPATIENT AND OUTPATIENT SERVICE IN ARIZONA THAT CARES FOR CHILDREN WITH TRACHEOSTOMIES AND HOME VENTILATORS CENTERS OF EXCELLENCE A SIGNED MEMORANDUM OF UNDERSTANDING WITH ST JOSEPH'S HOSPITAL AND MEDICAL CENTER RESULTED IN A GROUNDBREAKING STRATEGIC ALLIANCE THAT WILL FORTIFY SEVERAL PHOENIX CHILDREN'S PROGRAMS, INCLUDING THE CHILDREN'S HEART CENTER, WHICH WILL MAKE IT ONE OF THE LARGEST PROGRAMS OF ITS KIND IN THE U.S. THE CENTER FOR CANCER AND BLOOD DISORDERS AT PHOENIX CHILDREN'S HOSPITAL IS THE LARGEST PEDIATRIC PROVIDER OF HEMATOLOGY AND ONCOLOGY SERVICES IN ARIZONA, AND IS THE ONLY FREESTANDING PEDIATRIC HOSPITAL IN THE STATE WITH A BLOOD AND MARROW TRANSPLANT PROGRAM, A COLLABORATION WITH MAYO CLINIC ARIZONA THE CENTER IS THE ONLY LOCATION IN ARIZONA WHERE CHILDREN LIVING WITH CANCER CAN PARTICIPATE IN PHASE I CLINICAL TRIALS, GIVING THEM ACCESS TO THE LATEST BREAKTHROUGH THERAPIES IN 2010, A GROUP OF RESEARCHERS, INCLUDING P DAVID ADELSON, MD, DIRECTOR OF THE HOSPITAL'S CHILDREN'S NEUROSCIENCE INSTITUTE (CNI), WAS AWARDED A THREE-YEAR GRANT TOTALING NEARLY \$470,000 FOR THE DEVELOPMENT OF A BRAIN-COMPUTER INTERFACE THE GRANT SUPPORTS FURTHER RESEARCH INTO COMPUTER TECHNOLOGY THAT CAN HELP PATIENTS WITH NEUROLOGICAL DISORDERS USE THE POWER OF THEIR BRAIN TO CREATE MOVEMENT IT REPRESENTS ONLY ONE OF THE MANY STUDIES IN WHICH CNI PHYSICIANS ARE INVOLVED PHOENIX CHILDREN'S NEWBORN INTENSIVE CARE UNIT (NICU) SERVED 1,297 BABIES LAST YEAR IN TOTAL, PHOENIX CHILDREN'S NOW HAS 143 LICENSED NICU BEDS IT IS ALSO HOME TO A COMPREHENSIVE NEURO-NICU, ONE OF ONLY TWO FACILITIES OF ITS KIND IN THE U.S. WHICH PROVIDES LIFE-SAVING TREATMENT TO NEWBORNS WHO HAVE SUFFERED BIRTH-RELATED BRAIN INJURY THE HOSPITAL'S CENTER FOR PEDIATRIC ORTHOPAEDIC SURGERY IS A STATEWIDE REFERRAL CENTER FOR CHILD AND ADOLESCENT MUSCULOSKELETAL PROBLEMS THESE MAY INCLUDE SPINAL DEFORMITY AND SCOLIOSIS, LEG-LENGTH DISCREPANCY, INFECTIONS, MUSCULOSKELETAL ONCOLOGY, AND THOSE RELATED TO MUSCULAR DYSTROPHY AND CEREBRAL PALSY THE HOSPITAL'S LEVEL 1 PEDIATRIC TRAUMA CENTER EXCLUSIVELY FOR CHILDREN TREATED 1,415 KIDS IN 2010 IT IS THE ONLY ONE OF ITS KIND IN THE STATE AND ONE OF ONLY 18 SUCH CENTERS IN THE UNITED STATES</p>

Identifier	Return Reference	Explanation
PROCESS USED BY ORGANIZATION TO REVIEW FORM 990	FORM 990, PART VI, LINE 11	THE FORM 990, IN DRAFT FORM, WAS PROVIDED FOR REVIEW TO THE FINANCE COMMITTEE PRIOR TO BEING PRESENTED TO THE FINANCE COMMITTEE, THE RETURN WAS REVIEWED BY THE VP OF FINANCE AND CFO. THE FINAL VERSION IS DISTRIBUTED TO BOARD MEMBERS PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
PROCESS USED TO MONITOR AND ENFORCE THE CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	PCH AND ITS AFFILIATE ORGANIZATIONS REQUIRES EACH OF ITS DIRECTORS, OFFICERS, AND VICE PRESIDENTS TO COMPLETE AN ANNUAL DISCLOSURE FORM, IDENTIFYING REAL OR POTENTIAL CONFLICTS, SUCH AS FINANCIAL RELATIONSHIPS OR INTERESTS, FAMILY OR BUSINESS ASSOCIATIONS OR EMPLOYEE RELATIONSHIPS WITH PCH AND/OR ITS DIRECTORS, OFFICERS AND KEY EMPLOYEES. IF SITUATIONS ARE DISCLOSED THAT PRESENT ACTUAL OR POTENTIAL CONFLICTS OF INTEREST, THEY ARE REPORTED TO THE CEO AND THE BOARD OF DIRECTORS. RESOLUTION AND/OR AVOIDANCE OF CONFLICT OF INTEREST SITUATIONS RESIDES WITH THE BOARD AND THE CEO

Identifier	Return Reference	Explanation
PROCESS USED TO DETERMINE COMPENSATION OF CEO AND OTHER OFFICERS	FORM 990, PART VI, LINES 15A AND 15B	PCH USES THE SERVICES OF AN OUTSIDE COMPENSATION CONSULTING FIRM TO MAKE MARKET COMPARISONS OF COMPENSATION, INCLUDING BOTH BASE SALARY AND INCENTIVE PROGRAMS. THESE PLANS ARE REVIEWED WITH AND ULTIMATELY APPROVED BY THE BOARD OF DIRECTORS' COMPENSATION COMMITTEE. AFTER COMPLETION OF THE YEAR END AUDIT, THE COMPENSATION COMMITTEE MEETS TO EVALUATE PERFORMANCE OF THE CEO AND KEY EXECUTIVES AND TO APPROVE THE RECOMMENDATION OF THE VP OF HUMAN RESOURCES AND THE CEO, BASED ON THE CRITERIA IN THE PREVIOUSLY APPROVED PLAN. THIS PROCESS WAS LAST COMPLETED IN 2010.

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY,	AND FINANCIAL STATEMENTS TO THE PUBLIC	FORM 990, PART VI, LINE 19 SUCH DOCUMENTS ARE NOT REQUIRED TO BE MADE AVAILABLE, HOWEVER, THEY WILL BE PROVIDED UPON REASONABLE REQUEST

Identifier	Return Reference	Explanation
PAYMENTS TO INDEPENDENT CONTRACTORS	FORM 990, PART VII, SECTION B	THE PAYMENTS TO KITCHELL INCLUDE PAYMENTS FOR GOODS AND MATERIALS THAT COULD NOT BE SPLIT OUT FROM THE PAYMENTS FOR SERVICES

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	MARK TO MARKET ADJUSTMENT ON INTEREST RATE SWAPS (16,731,874) UNREALIZED GAINS ON INVESTMENTS 7,808,248 TEMP RESTR DONATIONS AND CONTRIBUTIONS 3,883,000 NET ASSETS RELEASED FROM RESTRICTION (3,543,000) ROUNDING 96 ----- OTHER CHANGES IN NET ASSETS (8,583,530) =====

Identifier	Return Reference	Explanation
SIGNIFICANT PROGRAMS UNDERTAKEN DURING THE YEAR	PART III, LINE 2	THE UNIVERSITY OF ARIZONA COLLEGE OF MEDICINE - PHOENIX AND PHOENIX CHILDREN'S HOSPITAL ANNOUNCED IN AUGUST 2010 AN AGREEMENT TO EXPAND THEIR AFFILIATION, A MOVE DESIGNED IN PART TO ADDRESS ARIZONA'S SEVERE SHORTAGE OF PEDIATRICIANS. UNDER THE AGREEMENT, THE UA COLLEGE OF MEDICINE - PHOENIX DESIGNATES THE HOSPITAL AS ITS PRINCIPAL PEDIATRIC AFFILIATE WHILE THE HOSPITAL NAMES THE UNIVERSITY AS ITS PRINCIPAL ACADEMIC AFFILIATE. THIS ARRANGEMENT ADDS MEDICAL RESIDENCIES TO A STATE DESPERATELY IN NEED OF THEM. ARIZONA'S RATIO OF MEDICAL RESIDENTS TO ITS POPULATION IS AMONG THE LOWEST IN THE UNITED STATES YET THE STATE HAS ONE OF THE FASTEST GROWING PEDIATRIC POPULATIONS IN THE COUNTRY. THE TWO ENTITIES ALSO PLAN TO PARTNER ON A VARIETY OF RESEARCH PROJECTS AIMED AT PREVENTING, TREATING AND CURING CHILDHOOD DISEASES AND INJURIES.

## **SCHEDULE R (Form 990)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
Phoenix Children's Hospital

**Employer identification number**

86-0422559

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

**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.)

**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.)

**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.)

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Phoenix Children's Hospital Foundation	C	4,762,248	
(2) Phoenix Children's Hospital Foundation	N	2,627,606	
(3) Phoenix Children's Hospital Foundation	P	5,841,426	
(4) Cambridge Arizona Insurance Company	Q	3,675,171	
(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.

**Part VII Supplemental Information**

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

Identifier	Return Reference	Explanation
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