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SCANNED JUN 28 2010

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2008

Open to Public
Inspection

A For the 2008 calendar year, or tax year beginning <u>7/1/2008</u> , and ending <u>6/30/2009</u>	
B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending	C Name of organization <u>Boston Children's Heart Foundation, Inc.</u> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>300 Longwood Avenue</u> <u>PAV 2</u> City or town, state or country, and ZIP + 4 <u>Boston</u> <u>MA</u> <u>02115</u>
D Employer identification number <u>04-2790699</u>	
E Telephone number <u>(617) 355-7210</u>	
G Gross receipts \$ <u>51,259,329</u>	
F Name and address of principal officer <u>James E. Lock, MD 300 Longwood Avenue, Boston, MA 02115</u>	
H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list. (see instructions)	
I Tax-exempt status: ☒ 501(c) (<u>3</u>) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527	
J Website: ▶ <u>N/A</u>	
K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	
L Year of formation: <u>1983</u>	
M State of legal domicile: <u>MA</u>	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>The Foundation provides an extensive range of evaluation services for patients with heart diseases, medical research and educational services to the Children's Hospital in Boston and the Harvard Medical School. The Foundation also provides care for patients located in Massachusetts in need of cardiology services, regardless of their ability to pay, as well as providing community based services.</u>
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.
	3 Number of voting members of the governing body (Part VI, line 1a) <u>3</u> <u>10</u>
	4 Number of independent voting members of the governing body (Part VI, line 1b) <u>4</u> <u>1</u>
	5 Total number of employees (Part V, line 2a) <u>5</u> <u>59</u>
	6 Total number of volunteers (estimate if necessary) <u>6</u> <u>NONE</u>
	7a Total gross unrelated business revenue from Part VII, line 12, column (C) <u>7a</u> <u>-215</u>
7b Net unrelated business taxable income from Form 990-T, line 34 <u>7b</u> <u>0</u>	
Revenue	8 Contributions and grants (Part VIII, line 1) <u>290,000</u> <u>100,000</u>
	9 Program service revenue (Part VIII, line 2) <u>39,954,759</u> <u>42,813,988</u>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 5) <u>464,461</u> <u>-2,064,712</u>
	11 Other revenue (Part VIII, column (A), lines 6, 7, 8, 9, 10, and 11e) <u>0</u> <u>0</u>
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <u>40,709,220</u> <u>40,849,276</u>	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) <u>0</u> <u>92,091</u>
	14 Benefits paid to or for members (Part IX, column (A), line 4) <u>0</u> <u>0</u>
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) <u>27,747,640</u> <u>28,441,314</u>
	16a Professional fundraising fees (Part IX, column (A), line 11e) <u>0</u> <u>0</u>
	b Total fundraising expenses (Part IX, column (D), line 25) <u>0</u> <u>0</u>
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) <u>39,862,281</u> <u>5,701,395</u>
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) <u>67,609,921</u> <u>34,234,800</u>
19 Revenue less expenses. Subtract line 18 from line 12 <u>-26,900,701</u> <u>6,614,476</u>	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) <u>38,255,395</u> <u>41,525,879</u>
	21 Total liabilities (Part X, line 26) <u>9,887,249</u> <u>10,009,328</u>
	22 Net assets or fund balances. Subtract line 21 from line 20 <u>28,368,146</u> <u>31,516,551</u>

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

JAMES E. LOCK

President

Date

5/12/2010

Type or print name and title

Paid
Preparer's
Use Only

Preparer's
signature

Chad O. Frank

Date

5/10/10

Check if
self-
employed

☐

Preparer's identifying number
(see instructions)

Firm's name (or yours
if self-employed),
address, and ZIP + 4

Ernst & Young U.S. LLP

55 Ivan Allen Jr. Blvd. Suite 100 Atlanta, GA 30308

EIN

34-8565596

Phone no.

404-874-8300

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes

☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2008)

(HTA)

6-16

NE

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Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's mission:

The Foundation provides cardiology services primarily to patients at Children's Hospital, and other health care providers at satellite locations. The Foundation carries on and promotes basic and applied medical research and education in the field of cardiology by teaching students and other medical and scientific personnel. The Foundation also provides care for patients in Massachusetts regardless of their ability to pay.

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

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

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

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 31,199,281 including grants of \$ 92,091) (Revenue \$ 39,934,520)

The Foundation was organized exclusively for charitable, scientific, and educational purposes; the Foundation provides cardiology services primarily to patients at Children's Hospital in Boston, and other health care providers at satellite locations. The Foundation may charge for patient care, other medical services, and related products, provided that any net income be used for the charitable, scientific, and educational purposes for which the Foundation was created. The Foundation also provides care for patients in Massachusetts regardless of their ability to pay, as well as providing and subsidizing hospital and community based services that are either unavailable or limited elsewhere in the community.

4b (Code:) (Expenses \$ 2,023,274 including grants of \$ 0) (Revenue \$ 2,879,468)

The Foundation receives income from the Children's Hospital in Boston for providing administration, supervision, and teaching services. The Foundation carries on and promotes basic and applied medical research and education in the field of cardiology by teaching students and other medical and scientific personnel; by providing or supplementing income to research personnel through fellowships, research grants, and stipends; and by giving lectures and publishing information concerning problems and research results in the field of pediatric cardiology in order to educate the general public and the medical profession.

4c (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 0 including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ 33,222,555 (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
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		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any 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		X
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		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
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		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		X
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 United States? If "Yes," complete Schedule F, Part II		X
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 United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		X
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	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	6
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	NONE
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	59
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

	Yes	No
1a Enter the number of voting members of the governing body	1a 10	
b Enter the number of voting members that are independent	1b 1	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3 X	
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6 X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a X	
b Each committee with authority to act on behalf of the governing body?	8b X	
9a Does the organization have local chapters, branches, or affiliates?	9a	X
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?	9b	
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10 X	
11 Is there any officer, director or 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	11	X

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c X	
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a The organization's CEO, Executive Director, or top management official?	15a X	
b Other officers or key employees of the organization?	15b X	
Describe the process in Schedule O. (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 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.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Alexis Devine (617) 355-6917
 300 Longwood Avenue, Boston, MA 02115

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
James Lock, MD President	40.	X		X				565,649	0	143,852
Steven Colan, MD Treasurer	40	X		X				418,904	0	118,980
David Fulton, MD VP/Director	40.	X		X				365,012	0	111,284
Peter Laussen, MD Director	40.	X		X				488,984	0	124,607
Doff McElhinney, MD Director	40.	X		X				237,235	0	66,964
Charles Berul, MD Director	40.	X		X				493,797	0	107,664
Anne Valente, MD Director	40.	X		X				189,542	0	42,319
William Pu, MD Director	40.	X		X				229,299	0	70,709
David Brown, MD Director	40.	X		X				227,833	0	51,068
Physician's Organization at Children's Hospital, Inc. Institutional Trustee	2.		X					0	0	0
Jane Newburger, MD Cardiologist	40.					X		381,549	0	120,629
Melvin Almodovar, MD Cardiologist	40.					X		377,951	0	61,763
Kathy Jenkins, MD Cardiologist	40.					X		372,751	0	97,796
Jamie Levine, MD Cardiologist	40.					X		356,711	0	73,948
John Friedman, MD Cardiologist	40.					X		453,375	0	110,548
Ravi Thiagarajan, MD Former Highest Paid	40.					X	X	278,152	0	55,191
Roger Breitbart, MD Former Director/Phys	40.						X	258,476	0	79,531

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Frank Cecchin, MD Former Director/Phys	40.						X	357,025	0	99,027
David Wessel, MD Former Director/Phys	40.						X	245,096	0	0
John Costello, MD Former Director/Phys	40.						X	310,884	0	59,370
Ronald Lacro, MD Former Director/Phys	40.						X	239,708	0	76,532
Audrey Marshall, MD Former Director/Phys	40.						X	240,522	0	69,087
Gerald Marx, MD Former Director/Phys	40.						X	279,789	0	123,130
Tajinder Singh, MD Former Director/Phys	40.						X	257,729	0	50,957
Elizabeth Blume, MD Former Director/Phys	40.						X	267,040	0	90,545
	0.							0	0	0
	0.							0	0	0
	0.							0	0	0
	0.							0	0	0
	0.							0	0	0
1b Total	0.							7,893,013	0	2,005,501

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **24**

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

	Yes	No
3	X	
4	X	
5		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

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
Automated Med Systems 91 Stiles Road Salem NH 03079	Billing services	1,364,477
		0
		0
		0
		0

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **1**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a	0		
	b	Membership dues	1b	0		
	c	Fundraising events	1c	0		
	d	Related organizations	1d	100,000		
	e	Government grants (contributions)	1e	0		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	0		
	g	Noncash contributions included in lines 1a-1f: \$		0		
	h	Total. Add lines 1a-1f		100,000		
Program Service Revenue			Business Code			
	2a	Net Patient Service Revenue	621300	39,934,520	39,934,520	
	b	Admin, Supervision & Teaching	611710	649,969	649,969	
	c	Research/Misc. Service Revenue	611710	2,229,499	2,229,499	
	d			0		
	e			0		
	f	All other program service revenue		0		
g	Total. Add lines 2a-2f		42,813,988			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		-530,787		-215
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties		0		
	6a	Gross Rents	(i) Real	(ii) Personal		
	b	Less: rental expenses				
	c	Rental income or (loss)	0	0		
	d	Net rental income or (loss)			0	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b	Less: cost or other basis and sales expenses	8,859,831	16,297		
	c	Gain or (loss)	10,388,622	21,431		
	d	Net gain or (loss)	-1,528,791	-5,134		
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18				
	b	Less: direct expenses				
	c	Net income or (loss) from fundraising events			0	
	9a	Gross income from gaming activities. See Part IV, line 19				
	b	Less: direct expenses			0	
	c	Net income or (loss) from gaming activities			0	
	10a	Gross sales of inventory, less returns and allowances				
	b	Less: cost of goods sold			0	
	c	Net income or (loss) from sales of inventory			0	
Miscellaneous Revenue		Business Code				
11a			0			
b			0			
c			0			
d	All other revenue		0			
e	Total. Add lines 11a-11d		0			
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		40,849,276	42,813,988	-215	-2,064,497

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	92,091	92,091		
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	5,001,915	5,001,915		
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	18,075,338	17,497,134	578,204	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,750,477	1,697,963	52,514	
9	Other employee benefits	2,958,875	2,870,109	88,766	
10	Payroll taxes	654,709	635,068	19,641	
11	Fees for services (non-employees):				
a	Management	0			
b	Legal	13,547		13,547	
c	Accounting	795		795	
d	Lobbying	0			
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	72,892		72,892	
g	Other	178,623	172,825	5,798	
12	Advertising and promotion	14,024		14,024	
13	Office expenses	155,917	127,819	28,098	
14	Information technology	83,148	83,148		
15	Royalties	0			
16	Occupancy	303,144	303,144		
17	Travel	27,155	27,155		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	228,003	228,003		
20	Interest	0			
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	14,866	14,866	0	0
23	Insurance	500,262	477,285	22,977	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Billing and collection	1,521,565	1,521,565		
b	Bad debt expense	1,510,125	1,510,125		
c	Physicians' Organization membership dues	366,403	366,403		
d	Patient staff relations	309,142	309,142		
e	Other expenses	401,784	286,795	114,989	
f	All other expenses	0			
25	Total functional expenses. Add lines 1 through 24f	34,234,800	33,222,555	1,012,245	0
26	Joint Costs. Check here ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	400	1	2,328
	2 Savings and temporary cash investments	7,734,768	2	12,408,987
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	5,197,837	4	4,747,590
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L	902,334	5	1,011,256
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	731,386	7	1,641,825
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	203,015	9	187,618
	10a Land, buildings, and equipment: cost basis	152,309		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	141,205		
		31,104	10c	11,104
	11 Investments—publicly traded securities	13,288,274	11	16,589,873
	12 Investments—other securities. See Part IV, line 11	9,615,904	12	4,376,012
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	550,373	15	549,286	
16 Total assets. Add lines 1 through 15 (must equal line 34)	38,255,395	16	41,525,879	
Liabilities	17 Accounts payable and accrued expenses	1,943,563	17	2,705,477
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow 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	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable	0	24	0
	25 Other liabilities. Complete Part X of Schedule D	7,943,686	25	7,303,851
	26 Total liabilities. Add lines 17 through 25	9,887,249	26	10,009,328
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	28,008,146	27	31,486,551
	28 Temporarily restricted net assets	360,000	28	30,000
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances.	28,368,146	33	31,516,551
	34 Total liabilities and net assets/fund balances.	38,255,395	34	41,525,879

Part XI Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to lines 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?
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

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: (Please check only one organization.)

- 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). (Attach Schedule H.)
- 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). (see instructions)
- 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 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? ☐

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

h Provide the following information about the organizations the organization supports.

(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	
Children's Hospital	04-2774441	3	X		X		X		N/A
Harvard University	04-2103580	2	X		X		X		N/A
									0
									0
									0
Total									0

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	0	0	0	0	0	0
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0	0	0
3 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	0
4 Total. Add lines 1-3	0	0	0	0	0	0
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	0	0	0	0	0	0
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	0	0	0	0	0	0
9 Net income from unrelated business activities, whether or not the business is regularly carried on	0	0	0	0	0	0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0	0	0	0
11 Total support. Add lines 7 through 10						0
12 Gross receipts from related activities, etc. (see instructions.)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	0.00%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	0.00%
16a 33 1/3% support test—2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐		
b 33 1/3% support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐		
17a 10%-facts-and-circumstances-test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ ☐		
b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ ☐		

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	0	0	0	0	0	0
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	0	0	0	0	0	0
3 Gross receipts from activities that are not an unrelated trade or business under section 513	0	0	0	0	0	0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0	0	0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	0
6 Total. Add lines 1-5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	0	0	0	0	0	0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000	0	0	0	0	0	0
c Add lines 7a and 7b	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6.)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	0	0	0	0	0	0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0	0	0	0	0	0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on	0	0	0	0	0	0
12 Other Income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0	0	0	0
13 Total support. (Add lines 9, 10c, 11, and 12.)						0
14 First five years. 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 stop here ▶ ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	0.00%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	0.00%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	0.00%

19a 33 1/3% support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . ▶ ☐

b 33 1/3% support tests—2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . ▶ ☐

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

Part IV

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

PART II, Line 11H

The Boston Children's Heart Foundation, Inc. (Foundation) is not required under regulations established by the Secretary to make payments to Children's Hospital and Harvard Medical School due to the activities of the Foundation related to performing the functions of, or carrying out the purposes of, Children's Hospital and Harvard Medical School. Although, monetary support is not required, non-monetary support in the form of providing clinical services to Children's Hospital and teaching services to medical students of Harvard Medical School has been provided.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

► Attach to Form 990. To be completed by organizations that
answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

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 other 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 important land area
☐ Protection of natural habitat	☐ Preservation of certified historic structure
☐ Preservation of open space	

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

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

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

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

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

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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 section 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 Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f 0

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 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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	0				

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

- a Board designated or quasi-endowment %
 b Permanent endowment %
 c Term endowment %

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

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

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) Depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	0	0	0
c Leasehold improvements	0	3,367	3,367	0
d Equipment	0	121,943	110,839	11,104
e Other	0	26,999	26,999	0
Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				11,104

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products . . .	0	
Closely-held equity interests	0	
Other Limited Liability Partnership Interest	4,376,012	F
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶	4,376,012	

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.)	0	

(a) Description	(b) Book value
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.)	0

(a) Description of liability	(b) Amount
Federal income taxes	0
Due to Children's Hospital	690,329
Accrued severance plan obligation	3,305,724
Accrued supplemental executive retirement plan	3,178,484
Due to Physician's Organization	106,814
Patient deposits	22,500
	0
	0
	0
	0
	0
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.)	7,303,851

Schedule D (Form 990) 2008

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	40,849,276
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	34,234,800
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	6,614,476
4	Net unrealized gains (losses) on investments	4	-1,414,896
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-2,051,175
9	Total adjustments (net). Add lines 4-8	9	-3,466,071
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	3,148,405

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	38,821,412
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-1,414,896
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-612,968
e	Add lines 2a through 2d	2e	-2,027,864
3	Subtract line 2e from line 1	3	40,849,276
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	0
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	40,849,276

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

1	Total expenses and losses per audited financial statements	1	33,226,593
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	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	-1,008,207
e	Add lines 2a through 2d	2e	-1,008,207
3	Subtract line 2e from line 1	3	34,234,800
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	0
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	34,234,800

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.

See Page 5

Part XIV Supplemental Information (continued)**PART X, FIN 48 FOOTNOTE**

In June 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), which provides guidance to all enterprises, including pass-through entities, for how uncertain tax provisions should be recognized, measured, presented and disclosed in the financial statements. On December 30, 2008, the FASB issued Financial Statement Position (FSP) FIN 48-3, Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises, which defers the effective date of the Interpretation for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008, and is to be applied to all open tax years as of the effective date. The Foundation is a nonpublic enterprise to which this deferral applies, and FIN 48 will be first effective for the Foundation's financial statements for fiscal year ending June 30, 2010. Management continues to evaluate the implications of the Interpretation, and any impact to future financial position and results of the operations of the Foundation has not yet been determined.

PART XI, Line 8 Unrealized changes in limited liability partnership interests (\$1,042,968)

PART XI, Line 8 Pension adjustment (\$1,008,207)

PART XII, Line 2D Unrealized changes in limited liability partnership interests (\$1,042,968)

PART XII, Line 2D Net assets released from restrictions \$430,000

PART XIII, Line 2D Pension adjustment (\$1,008,207)

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

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

Employer identification number

04-2790699

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

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on 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
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	

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

PART I, LINE 1

Monitoring is provided by the Boston Children's Heart Foundation, (the "Foundation") through oversight of the terms and conditions of a written grant agreement

Multiyear agreements require yearly progress and financial reports for continuation of funding. During the year ended June 30, 2009, the Foundation only provided grant donations to other 501(c)(3) organizations.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

- Attach to Form 990. To be completed by organizations
that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

Part I Questions Regarding Compensation

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

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

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

- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all 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.

- | | |
|---|---|
| ☒ Compensation committee | ☒ Written employment contract |
| ☐ Independent compensation consultant | ☒ Compensation survey or study |
| ☒ Form 990 of other organizations | ☒ Approval by the board or compensation committee |

- 4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- | | | | |
|--|-----------|---|---|
| a Receive a severance payment or change of control payment? | 4a | X | |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X | |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | | X |

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 must complete lines 5–8.

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

- | | | | |
|--|-----------|--|---|
| a The organization? | 5a | | X |
| b Any related organization? | 5b | | X |

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

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

- | | | | |
|--|-----------|--|---|
| a The organization? | 6a | | X |
| b Any related organization? | 6b | | X |

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 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) 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				
James Lock, MD	(i) 539,581	18,250	7,818	118,412	25,440	709,501	259,791
	(ii) 0	0	0	0	0	0	0
Steven Colan, MD	(i) 334,662	15,750	68,492	93,540	25,440	537,884	198,328
	(ii) 0	0	0	0	0	0	0
David Fulton, MD	(i) 310,154	18,250	36,608	83,594	27,690	476,296	165,327
	(ii) 0	0	0	0	0	0	0
Peter Laussen, MD	(i) 376,786	15,750	96,448	99,167	25,440	613,591	234,808
	(ii) 0	0	0	0	0	0	0
Doff McElhinney, MD	(i) 159,536	5,750	71,949	35,157	31,807	304,199	87,518
	(ii) 0	0	0	0	0	0	0
Charles Benul, MD	(i) 306,933	5,750	181,114	79,224	28,440	601,461	161,216
	(ii) 0	0	0	0	0	0	0
Anne Valente, MD	(i) 145,562	5,750	38,230	29,417	12,902	231,861	80,531
	(ii) 0	0	0	0	0	0	0
William Pu, MD	(i) 172,162	5,750	51,387	45,326	25,383	300,008	93,831
	(ii) 0	0	0	0	0	0	0
David Brown, MD	(i) 171,362	5,750	50,721	37,069	13,999	278,901	93,431
	(ii) 0	0	0	0	0	0	0
Jane Newburger, MD	(i) 345,801	5,750	29,998	95,189	25,440	502,178	184,650
	(ii) 0	0	0	0	0	0	0
Melvin Almodovar, MD	(i) 302,897	3,326	71,728	36,323	25,440	439,714	159,199
	(ii) 0	0	0	0	0	0	0
Kathy Jenkins, MD	(i) 295,656	2,250	74,845	85,136	12,660	470,547	147,828
	(ii) 0	0	0	0	0	0	0
Jamie Levine, MD	(i) 207,236	5,750	143,725	48,508	25,440	430,659	113,668
	(ii) 0	0	0	0	0	0	0
John Friedman, MD	(i) 250,310	5,750	197,315	85,108	25,440	563,923	135,405
	(ii) 0	0	0	0	0	0	0
Roger Breitbart, MD	(i) 228,008	5,750	24,718	54,091	25,440	338,007	124,254
	(ii) 0	0	0	0	0	0	0
Frank Cecchin, MD	(i) 279,528	5,750	71,747	73,587	25,440	456,052	144,564
	(ii) 0	0	0	0	0	0	0

Part III Supplemental Information

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

PART I, LINE 4A

The Foundation established the Boston Children's Heart Foundation, Inc. Severance Benefit Plan, effective as of July 1, 1987. The plan was amended and restated effective as of May 19, 2004. On June 30, 2005, the Foundation elected to freeze the severance benefit plan. The plan was established to supplement unemployment benefits in the event of termination of employment by eligible employees.

During calendar year ended December 31, 2008 the following physician received a severance payment.

David Wessel \$198,506

The liability owed to those participants listed on Part VII are:

James Lock \$741,526

Steven Colan \$443,836

David Fulton \$242,386

Peter Laussen \$84,674

Charles Berul \$27,889

Jane Newburger \$514,486

Kathy Jenkins \$41,089

John Friedman \$50,171

Gerald Marx \$210,010

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.

PART I, LINE 4B

The Foundation established a Supplemental Executive Retirement Plan (The SERP), effective June 30, 2005, to reward licensed physician employees with a benefit based on service. All eligible employees will become participants on the date designated by the Foundation Board of Directors. The SERP's sources of contributions are from employer discretionary amounts (if any), severance benefit, and elective deferrals. The amounts will be subject to forfeiture for termination prior to a vesting date established by the

Foundation's Board of Directors.

During calendar year ended December 31, 2008 the following physician received a SERP payment:

David Wessel \$46,590

The liability owed to those participants listed on Form 990, Part VII are:

James Lock \$358,309

Charles Berul \$174,313

Steven Colan \$233,407

William Pu \$13,217

David Fulton \$223,280

Jane Newburger \$234,664

Peter Laussen \$240,929

Kathy Jenkins \$195,092

John Friedman \$182,495

Frank Cecchin \$59,408

Gerald Marx \$170,200

Elizabeth Blume \$48,859

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.

PART I - Line 7

Bonus compensation amounts are determined by the Chief of Boston Children's Heart Foundation, Inc. (Foundation). The amounts are discretionary based on the financial performance of the Foundation.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service
Name of the organization

Transactions With Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, line 26a, 26b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.

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2008

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Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

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

To be completed by organizations that 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.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
David Brown Retention		X	203,000	203,000		X	X		X	
Doff McElhinney Physician Recruitment		X	160,600	155,426		X	X		X	
Doff McElhinney Physician Recruitment		X	100,000	60,000		X	X		X	
Anne Marie Valente Physician Recruitment		X	100,000	60,000		X	X		X	
Tajinder Singh Physician Recruitment		X	110,000	44,000		X	X		X	
See Sch O - for additional loan information			0	0						
Total				\$ 522,426						

Part III Grants or Assistance Benefitting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that 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
		0			
		0			
		0			
		0			
		0			
		0			

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Supplemental Information to Form 990

- ▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

PART VI. QUESTION 1A & 1B

A majority of the Boston Children's Heart Foundation, Inc. (Foundation) board members are physicians who are not independent from the Foundation. However, the Foundation is part of an integrated delivery system with Children's Hospital of Boston (Hospital) which does have a community board. The Foundation was organized in 1983. At that time the board was composed entirely of physicians, a board structure that was approved by the Internal Revenue Service. The Foundation has since adjusted the board structure to make it more response to the Hospital by adding the Physicians' Organization (PO) as a member. See Schedule O, Part VI, Question 12 for more detailed of the PO's rights.

PART VI. QUESTION 3

The Physicians' Org. at Children's Hospital Boston (PO) is a Class "C" member of Boston Children's Heart Foundation, Inc. (Foundation). The PO is responsible for all 3rd party contracting for the Foundation. The PO has the power to select the independent auditor and legal counsel of the Foundation from an approved list of firms mutually agreed to by the PO and the Foundation. The PO also has the right to review, but not to approve, the annual operating budget and all capital budgets of the Foundation. Lastly, the PO has the right to review for compliance with applicable law, the general terms of and any modification to physician compensation and benefit plan for all physician employees of the Foundation. The PO is considered the compensation committee of the Foundation.

PART VI. QUESTION 6

The Physicians' Organization at Children's Hospital Boston is a Class "C" member of Boston Children's Heart Foundation, Inc.

Name of the organization

Employer identification number

Boston Children's Heart Foundation, Inc.

04-2790699

PART VI, QUESTION 7A

The Cardiologist-in-Chief of the Children's Hospital Corporation (Hospital) is the Class "A" member of Boston Children's Heart Foundation, Inc. (Foundation). Every member of the Foundation who holds a medical staff appointment from the Hospital and is a full-time faculty appointment under the auspices of the Cardiologist-in-Chief from Harvard University Medical School (Harvard), and who practices medicine primarily at the Hospital, shall be a Class "B" member. According to the Articles of Organization, the Class "A" member and Class "B" members appoint/elect the board members of the Foundation at the annual meeting.

PART VI, QUESTION 7B

The Physicians' Organization at Children's Hospital Boston (PO) is a Class "C" member of Boston Children's Heart Foundation, Inc. (Foundation). The PO is responsible for all 3rd party contracting for the Foundation. The PO has the power to select the independent auditor and legal counsel of the Foundation from an approved list of firms mutually agreed to by the PO and the Foundation. The PO also has the right to review, but not to approve, the annual operating budget and all capital budgets of the Foundation. Lastly, the PO has the right to review for compliance with applicable laws, the general terms of and any modification to physician compensation and benefits plan for all physician employees of the Foundation. The PO is considered the compensation committee of the Foundation. As a Class "C" member of the Foundation, the PO attends the Foundation's annual meeting and has certain voting rights. The PO as a Class "C" member has one of the 10 votes.

PART VI, QUESTION 10

The detailed review will be conducted by the President of the Foundation, James Lock, the administrator Bridget Stewart and the accounting manager Alexis Devine. An electronic copy will be provided to the board along with a hard copy of Form 990 prior to filing. The detailed review will be conducted before filing the return with the Internal Revenue Service.

Name of the organization

Employer identification number

Boston Children's Heart Foundation, Inc.

04-2790699

PART VI, QUESTION 12 C

The Physicians' Organization (PO) at Children's Hospital Boston administers an annual conflict of interest disclosure process to all of its member Foundations, which asks physicians (officers, top management, and highly compensated employees) and selected Foundation staff to disclose potential conflicts. A disclosure statement will be circulated annually to members of the PO. The PO audit committee shall determine those individuals (including medical staff members) who shall be required to complete the disclosure statement. The PO audit committee, at the discretion, may either 1) refer any or all disclosure statements to the board of directors, 2) appoint an AD HOC committee to review and resolve any conflicts of interest issues, or 3) review and resolve any conflict of interest issues personally or through a designee(s). Any person not receiving a disclosure statement nevertheless has an affirmative obligation to disclose to the PO President, PO General Counsel, or his/her supervisor whenever he/she believes he/she has or may have a conflict of interest. Similarly, each person completing a disclosure statement has an affirmative obligation to update the statement any time circumstances change and/or he/she believes that a conflict of interest may exist. In the event a conflict of interest is found to exist, the Foundation prohibits the member from voting on any matter to which the conflict relates or otherwise influence the voting on such matter.

PART VI, QUESTION 13 AND 14

Currently, the Foundation does not have a whistleblower policy or a written document and destruction policy, however the board committee has plans to develop these policies in the next year.

Name of the organization

Employer identification number

Boston Children's Heart Foundation, Inc.

04-2790699

PART VI QUESTION 15A AND 15B

All the physicians (top management, officers, and highly compensated individuals) fall under compensation guidelines

determined by Harvard University, with limitations established for certain positions/ranks within the medical school. Annually,

compensation is reviewed and reported to the Hospital's board of trustees to ensure total direct and indirect compensation does

not exceed the pre-determined guidelines of Harvard University. Any new indirect benefit plan requires approval by the

Foundation's board of directors, which then must be reviewed and permitted by the Hospital. Major procedures of the

approval process involve: comparing compensation data of physicians within the comparable field of medicine; indirect

compensation currently being offered; and the financial stability of the Foundation. This process was followed for year ended

6/30/2009.

PART VI QUESTION 19

The Foundation maintains all financial statements, conflict of interest policy, and governing documents at its main office at

300 Longwood Avenue, Boston, MA 02115. The documents are available upon request.

SCHEDULE L, PART II

The Foundation has provided four loans to three members of the board, however the Foundation has provided unsecured,

interest-bearing, demand loans to other employees. The loans were made for recruitment and retention purposes, to assist

physician employees in the purchase of their primary residence. The amounts for the recruitment loans were determined by

restricted donations provided by Children's Hospital for use in recruitment. The loans will be forgiven over the terms of the

notes if the recipients remain employed at the Foundation or its affiliates. The amount of the loans forgiveness will be included

with accrued interest, if applicable, as compensation in the year forgiven.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

Boston Children's Heart Foundation, Inc.

Employer identification number

04-2790699

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Children's Hospital Corporation 04-2774441 300 Longwood Avenue, Boston, MA 02115	Hospital	MA	501(c)(3)	3	N/A
Harvard University 04-2103580 1033 Massachusetts Ave, Cambridge, MA 02138	Education	MA	501(c)(3)	2	N/A

Part V

Transactions With Related Organizations

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)

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(s)	(B) Transaction type (a–r)	(C) Amount involved	
			Yes	No
(1)				X
(2)				X
(3)				X
(4)				X
(5)				X
(6)				X

Part VII, Section B, Line 1 (990) - Highest Compensated Independent Contractors

Contractor's Name		Check if Business	Street Address	City	State	Zip Code	Foreign Country
1	Automated Med Systems	X	91 Stiles Road	Salem	NH	03079	
2							
3							
4							
5							
6							
7							
8							
9							
10							

[illegible]

Part VIII, Lines 1a-h (990) - Contributions, Gifts, Grants, and Other Amounts

	Cash		Non Cash
1 Federated Campaigns		1	
2 Membership dues		2	
3 Fundraising events		3	
4 Related organizations	100,000	4	
5 Government grants (contributions)		5	
6 All other contributions, gifts, grants, and similar amounts not included above:			
Other contributions total	0	6	0
7 Total	100,000	7	0

Index	Description	CUSIP #	Check if gain/loss is from sale of public securities	Check if gain/loss is from sale of non public securities	Check if purchaser is a business	Purchaser	Date acquired	Acquisition method	Date sold	Gross sales price	Cost or other basis (Enter one field only)		Expense of sale and cost of improvements	Depreciation	Description of Basis Method
											Cost	Donated value			
1	Equity Securities		X			Broker	Various	Purchase	Various	8,859,831	10,388,622				
2	Equipment					Children's Hospital				16,297	21,431				
3															
4															
5															
6															
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Totals:

Public Securities	Gross sales	8,859,831	Cost, other basis and expenses	10,388,622
Non-Public Securities		0		0
Other sales		16,297		21,431

Part IX, Line 22 (990) - Depreciation, Depletion, etc.

		14,866	14,866	0	0
		(A)	(B)	(C)	(D)
		Total	Program	Management	Fundraising
			services	and general	
1	DEPRECIATION	14,866	14,866		
2		0			
3		0			
4		0			
5		0			
6		0			
7		0			
8		0			
9		0			
10		0			
11		0			
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15		0			
16		0			
17		0			
18		0			
19		0			
20		0			

Part X, Line 4 (990) - Accounts Receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1 Patient Receivables - AMS	1	8,957,914	8,763,506	3,878,622	4,035,892
2 Patient Receivables - CCS	2	301,366	399,513	286,298	379,537
3 Other Receivables	3	103,477			
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total accounts receivable	11	9,362,757	9,163,019	4,164,920	4,415,429

Part X, Lines 5 and 6 (990) - Receivables from Officers, Directors, Trustees and Key Employees

Travel Advances:

1,246,681	902,334	1,011,256
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	Borrower's name	Title	Disqualified Person?	Original amount	Balance due beginning of year	Balance due end of year	Security provided
1	David Brown	Director/Phys		203,000		203,000	Real Estate
2	Doff Mcelhinney	Director/Phys.		160,600	158,073	155,426	Real Estate
3	Doff Mcelhinney	Director/Phys.		100,000	80,000	60,000	Real Estate
4	Anne Marie Valente	Director/Phys		100,000	80,000	60,000	Real Estate
5	Tajinder Singh	Cardiologist		110,000	66,000	44,000	Real Estate
6	Melvin Almodovar	Former Director		100,000	60,000	40,000	Real Estate
7	Frank Cecchin	Cardiologist		100,000	87,904	85,770	Real Estate
8	Audrey Marshall	Cardiologist		181,322	178,598	175,738	Real Estate
9	John Costello	Cardiologist		191,799	191,799	187,322	Real Estate
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11							
12							
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15							
16							
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[illegible]

Part X, Line 7 (990) - Other Notes

Part X, Line 7 (990) - Other Notes								1,797,589	731,386	1,641,825	0
	Check if a business	Check if credit union or 501(c)(3) scholarship loan	Borrower's name	Title	Original amount	Net balance due beginning of year	Balance due end of year	Allowance for doubtful accounts end of year			
1			Wayne Tworetzky	Cardiologist	185,000	183,625	180,772				
2			Susan Saleeb	Cardiologist	100,000		100,000				
3			Satish Rajagopal	Cardiologist	100,000	100,000	80,000				
4			Mark Scheurer	Cardiologist	100,000	80,000	60,000				
5			Christopher Almond	Cardiologist	100,000	80,000	60,000				
6			Joshua Salvin	Cardiologist	100,000	80,000	60,000				
7			Wayne Tworetzky	Cardiologist	197,304		197,304				
8			Carolyn T. Spencer	Cardiologist	100,000		100,000				
9			Sara A. Teele	Cardiologist	100,000		100,000				
10			Cindy S. Barrett	Cardiologist	100,000		100,000				
11			Puja Banka	Cardiologist	100,000		100,000				
12			Vamisi Yarlagadda	Cardiologist	100,000		100,000				
13			Thomas J. Kulik	Cardiologist	100,000		100,000				
14			Ashwin Prakash	Cardiologist	100,000		100,000				
15			Michael Landzberg	Cardiologist	20,000	12,476	11,519				
16			Andrew Powell	Cardiologist	195,285	195,285	192,230				
17											
18											
19											
20											

Security provided	Date of note	Maturity date	Repayment terms	Interest rate	Purpose of loan	Description	Fair market value of consideration
Real Estate	12/1/2007	12/1/2037	Monthly	4.8900%	Physician Recruitment	Primary Residence	
Real Estate	9/1/2008	9/1/2013	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	11/1/2008	11/1/2013	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	10/1/2006	10/1/2011	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	12/1/2006	12/1/2011	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	6/1/2007	6/1/2012	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	10/1/2008	10/1/2038	Monthly	3.1600%	Home Ownership Program	Primary Residence	
Real Estate	7/18/2008	8/1/2013	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	7/18/2008	8/1/2013	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	8/19/2008	9/1/2013	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	5/22/2009	6/1/2014	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	1/1/2009	12/31/2014	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	6/30/2009	7/1/2014	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	6/30/2009	6/30/2014	Annually	%	Physician Recruitment	Primary Residence	
Real Estate	6/16/1994	8/15/2011	Monthly	7.0000%	Physician Recruitment	Primary Residence	
Real Estate	10/31/2007	10/31/2037	Monthly	4.8800%	Physician Recruitment	Primary Residence	

Part X, Lines 10a and 10b (990) - Land, Buildings, and Equipment

Category or Item		Land	Buildings	Leasehold Improvements	Equipment	Other	Check if Investment Asset	Check if Asset Disposed	Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Disposals/ Adjustments	Beginning Balance	Ending Balance
1	Computer Equipment				X				67,734	311,240	65,742		12,941	1,992
2	Other Equipment				X				54,209	107,091	45,097		18,163	9,112
3	Furniture & Fixtures					X			26,999	30,594	26,999			0
4	Leasehold Improvements			X					3,367	7,652	3,367			0
5									0	0	0		0	0
6									0	0	0		0	0
7									0	0	0		0	0
8									0	0	0		0	0
9									0	0	0		0	0
10									0	0	0		0	0
11									0	0	0		0	0
12									0	0	0		0	0
13									0	0	0		0	0
14									0	0	0		0	0
15									0	0	0		0	0
16									0	0	0		0	0
17									0	0	0		0	0
18									0	0	0		0	0
19									0	0	0		0	0
20									0	0	0		0	0
										152,309	456,577	141,205	0	11,104

Part X, Lines 11 and 12 (990) - Investments - Securities

Check one box below to indicate how securities are reported:

☐ Cost☒ End of year market value (FMV)

						0	22,904,178	20,965,885
Securities at end of year		Publicly Traded Securities?	Financial Derivatives	Closely-Held Equity Interests	Number of Shares/ Face Value	Value at Time of Donation	Beginning Balance Book Value FMV	Ending Balance Book Value FMV
1	Mutual Funds	X			0.00	0	13,288,274	16,589,873
2	Limited Liability Partnership Interest				0.00	0	9,615,904	4,376,012
3					0.00	0	0	0
4					0.00	0	0	0
5					0.00	0	0	0
6					0.00	0	0	0
7					0.00	0	0	0
8					0.00	0	0	0
9					0.00	0	0	0
10					0.00	0	0	0
11					0.00	0	0	0
12					0.00	0	0	0
13					0.00	0	0	0
14					0.00	0	0	0
15					0.00	0	0	0
16					0.00	0	0	0
17					0.00	0	0	0
18					0.00	0	0	0
19					0.00	0	0	0
20					0.00	0	0	0

Part X, Line 15 (990) - Other Assets

		550,373	549,286
Description		Beginning	End
1	Due From Children's Hospital	352,518	330,608
2	Cash Surrender value of life insurance policies	197,855	153,604
3	Other receivables		65,076
4			
5			
6			
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Part X, Line 25 (990) - Other Liabilities

7,943,686

7,303,851

Description		Beginning	End
1	Due to Children's Hospital	832,877	690,329
2	Accrued severance plan obligation	4,431,358	3,305,724
3	Accrued supplemental executive retirement plan	2,565,561	3,178,484
4	Due to Physician's Organization	85,020	106,814
5	Patient deposits	28,870	22,500
6			
7			
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15			
16			
17			
18			
19			
20			

0

[illegible]

Part VII (Sch D (990)) - Investments Other Securities

4,376,012

Description		Book Value	Method of Valuation
1	Financial derivatives and other financial products	0	
2	Closely-held equity interests	0	
3	Limited Liability Partnership Interest	4,376,012	F
4		0	
5		0	
6		0	
7		0	
8		0	
9		0	
10		0	
11		0	
12		0	
13		0	
14		0	
15		0	
16		0	
17		0	
18		0	
19		0	
20		0	

Part X (Sch D (990)) - Other Liabilities

7,303,851

Description		Amount
1	Federal Income Taxes	
2	Due to Children's Hospital	690,329
3	Accrued severance plan obligation	3,305,724
4	Accrued supplemental executive retirement plan	3,178,484
5	Due to Physician's Organization	106,814
6	Patient deposits	22,500
7		0
8		0
9		0
10		0
11		0
12		0
13		0
14		0
15		0
16		0
17		0
18		0
19		0
20		0
21		0

Company Name: Boston Children's Heart Foundation, Inc.
Taxable Year Ended: 6/30/2009
EIN: 04-2790699

STATEMENT FILED PURSUANT TO IRC REG. §1.6038B-1(c) and 1.6038B-1T(c)

The taxpayer attaches this statement to Form 926 as required by Treas. Reg. Section 1.6038B-1(c) and Temporary Regulations Sec. 1.6038B-1T(c)(1) through 1.6028B-1T(c)(5). A statement of the facts pertinent to the exchange is as follows:

Describe ownership in Fund.

Paragraph 1. - Transferor:

- NAME Boston Children's Heart Foundation, Inc.
- EIN: 04-2790699
- Address: 300 Longwood Avenue, PAV 2, Boston, MA 02115
-

Paragraph 2. - Transferee:

- (i) NAME The Emerging Markets Investors Fund
 - EIN: Foreign
 - Address: CIBC Mellon Global Securities
320 Bay Street, 6th Floor
Toronto, ON M5H4A6, Canada
- Incorporated under the laws of : Canada

(ii) Please refer to statement of facts above.

Paragraph 3. - Consideration Received:

Interest in Partnership

Paragraph 4. - Property Transferred:

- Cash - \$200,444

Paragraph 5 - Transfer of Foreign Branch with Previously Deducted Losses - N/A

Paragraph 6 - Application of IRC Sec. 367(a)(5) - N/A