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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No 1545-0047

2009**Open to Public
Inspection**

A For the 2009 calendar year, or tax year beginning <u>7/1/2009</u> , and ending <u>6/30/2010</u>	
B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization <u>Children's Orthopaedic Surg. 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>HU221</u> City or town, state or country, and ZIP + 4 <u>Boston</u> <u>MA</u> <u>02115</u>
	D Employer identification number <u>04-2943146</u>
	E Telephone number <u>(617) 355-8699</u>
	G Gross receipts \$ <u>40,125,316</u>
	F Name and address of principal officer: <u>James R. Kasser 300 Longwood Avenue, Boston, MA 02115</u>
I Tax-exempt status: ☒ 501(c) (<u>3</u>) ◀ (Insert no.) ☐ 4947(a)(1) or ☐ 527	
J Website: ▶ <u>N/A</u>	
K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	
L Year of formation: <u>1986</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 orthopaedic surgery services, 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 orthopaedic services, regardless of their ability to pay, as well as providing and subsidizing hospital and community based services that are limited in the community.</u>	
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	<u>3</u> <u>17</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>28</u>
	6	Total number of volunteers (estimate if necessary)	<u>6</u>
		7a	Total gross unrelated business revenue from Part VIII, column (C), line 12
b		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 1h)	<u>Prior Year</u> <u>819,251</u> <u>Current Year</u> <u>770,000</u>
	9	Program service revenue (Part VIII, line 2g)	<u>33,748,888</u> <u>36,438,858</u>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>246,380</u> <u>556,232</u>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, 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>34,814,319</u> <u>37,765,090</u>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<u>270,329</u> <u>585,762</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>21,054,045</u> <u>24,018,880</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>	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	<u>5,441,453</u> <u>5,896,542</u>
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>26,765,827</u> <u>30,501,184</u>
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	<u>8,048,492</u> <u>7,263,906</u>
	20	Total assets (Part X, line 16)	<u>Beginning of Current Year</u> <u>35,084,520</u> <u>End of Year</u> <u>43,099,801</u>
	21	Total liabilities (Part X, line 26)	<u>5,467,781</u> <u>5,744,670</u>
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>29,616,739</u> <u>37,355,131</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	Date <u>05/07/2011</u>	
	<u>JAMES R. KASSER, M.D. PRESIDENT</u>		
Paid Preparer's Use Only	Preparer's signature	Date <u>5/5/11</u>	Check if self-employed ☐
	Firm's name (or yours if self-employed), address, and ZIP + 4	Preparer's identifying number (see instructions)	
	<u>Baker Newman & Noyes, LLC</u> <u>280 Fore Street, Portland, ME 04101</u>	<u>01-0494526</u> <u>1-800-244-7444</u>	

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 (2009)

SCANNED JUN 13 2011

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

The Foundation provides orthopaedic surgery services to patients at Children's Hospital and other health care providers at satellite locations. The mission strives to provide care for patients with a wide range of developmental, congenital, neuromuscular, and post traumatic problems of the musculoskeletal system. The Foundation also provides care for patients located in Massachusetts in need of orthopaedic services, 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 \$ 27,896,943 including grants of \$ 585,762) (Revenue \$ 35,255,220)

The Foundation was organized exclusively for charitable, scientific and educational purposes. The Foundation provides orthopaedic surgery 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 is used exclusively for the charitable, scientific and educational purposes for which the Foundation was created. The Foundation also provides care for patients located in Massachusetts in need of orthopaedic services regardless of their ability to pay, as well as providing and subsidizing hospital and community based services that are limited in the community.

4b (Code:) (Expenses \$ 1,134,541 including grants of \$ 0) (Revenue \$ 1,183,638)

The Foundation carries on and promotes basic and applied medical research and education in the field of orthopaedics 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 orthopaedics in order to educate the general public and the medical profession.

4c (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)**4d** Other program services. (Describe in Schedule O)

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

4e Total program service expenses 29,031,484

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 similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	X	
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	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 United States?		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 United States? 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 a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
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? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <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
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	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.	21	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	28	
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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		X
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)?		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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
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?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	

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

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	17	
b Enter the number of voting members that are independent	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?		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?	X	
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

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

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: ► Dean Bauer (617)355-8699
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. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

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

- List all of the organization's former officers, key employees, 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 current officer, director, or trustee.

(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 R. Kasser, MD President	60.	X		X				1,111,762	75,000	76,588
John Emans, MD Treasurer	60.	X		X				1,060,313	0	88,067
Peter Waters, MD Clerk	60.	X		X				1,184,703	0	88,067
Michael Mills, MD Director	60.	X						845,261	0	88,067
Timothy M. Hresko, MD Director	60.	X						803,622	0	92,920
Brian Snyder, MD Director	60.	X						520,912	0	95,648
Lawrence Karlin, MD Director	60.	X						538,522	0	104,424
Seymour Zimble, MD Director	60.	X						538,112	0	99,111
Young-Jo Kim, MD Director	60.	X						956,822	0	91,625
Mininder Kocher, MD Director	60.	X						1,275,496	1,279,779	36,971
Daniel Hedegquist, MD Director	60.	X						869,122	0	65,743
Martha Murray, MD Director	60.	X						288,622	111,333	82,486
Donald Bae, MD Director	60.	X						849,422	0	82,486
Susan Mahan, MD Director	60.	X						488,722	0	82,486
Gregory Melkonian, MD Director	60.	X						550,124	0	99,957
Samantha Spencer, MD Director	60.	X						697,322	0	82,486

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			
Travis Matheney, MD Director	60.	X						678,993	0	82,486
Dennis Kramer, MD Director	60.	X						704,068	589,915	82,486
Yi-Meng Yen Director	60.	X						700,986	0	82,486
Lyle J. Michell, MD Director	2.	X						0	2,662,342	0
Physicians' Org. at Children's Hospital Inc. Independent Board Member	2.		X					0	0	0
Michael Glotzbecker Highest Compensated Employee	60.					X		112,481	0	82,486
Thomas Hart Highest Compensated Employee	60.					X		143,661		82,486
Matthew Warman Highest Compensated Employee	60.					X		164,514		82,486
1b Total								14,662,906	4,718,369	1,604,590

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **22**

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

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

	Yes	No
3		X
4	X	
5		X

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
Hart Associates 3 Allied Drive, Suite 312, Dedham, MA 02026	Billing Services	877,247
		0
		0
		0
		0

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **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	700,000			
	e	Government grants (contributions)	1e	0			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	70,000			
	g	Noncash contributions included in lines 1a-1f: \$		0			
	h	Total. Add lines 1a-1f		770,000			
Program Service Revenue			Business Code				
	2a	Net patient service revenue	621300	25,781,703	25,781,703		
	b	Other service revenue	621300	9,473,518	9,473,518		
	c	Research, service & other revenue	541700	824,826	824,826		
	d	Administrative, teaching & support	611710	358,811	358,811		
	e						
	f	All other program service revenue		0			
	g	Total. Add lines 2a-2f		36,438,858			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		566,458		-123	566,581
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less: rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss)		0			0
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			2,350,000	0			
	b	Less: cost or other basis and sales expenses		2,360,226	0		
	c	Gain or (loss)		-10,226	0		
	d	Net gain or (loss)		-10,226			-10,226
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c). See Part IV, line 18	a	0			
	b	Less: direct expenses	b	0			
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities. See Part IV, line 19	a	0			
b	Less: direct expenses	b	0				
c	Net income or (loss) from gaming activities		0				
10a	Gross sales of inventory, less returns and allowances	a	0				
b	Less: cost of goods sold	b	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. See instructions		37,765,090	36,438,858	-123	556,355	

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	585,762	585,762		
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	16,763,310	16,763,310		
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	6,880,148	5,848,126	1,032,022	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,867		9,867	
9 Other employee benefits	8,007		8,007	
10 Payroll taxes	357,548	303,916	53,632	
11 Fees for services (non-employees):				
a Management	0			
b Legal	20,242		20,242	
c Accounting	33,158		33,158	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	45,244		45,244	
g Other	115,561		115,561	
12 Advertising and promotion	0			
13 Office expenses	465,875	356,243	109,632	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	554,370	554,370		
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	16,915	16,915	0	0
23 Insurance	668,008	668,008	0	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Bad debt expense	522,630	522,630		
b Billing and collections	1,183,412	1,183,412		
c Research education	965,621	965,621		
d Outside medical services	470,823	470,823		
e Professional education, dues & publications	551,095	551,095		
f All other expenses Other expenses	283,588	241,253	42,335	
25 Total functional expenses. Add lines 1 through 24f	30,501,184	29,031,484	1,469,700	0
28 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	3,120	1	4,770
	2 Savings and temporary cash investments	8,987,661	2	8,239,122
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	4,045,362	4	3,630,610
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	2,644,166	5	2,581,999
	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	
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	127,456	9	56,581
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 750,955		
	b Less: accumulated depreciation	10b 482,495	10c	268,460
	11 Investments—publicly traded securities	14,858,468	11	19,442,929
	12 Investments—other securities. See Part IV, line 11	2,478,032	12	6,643,270
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	1,654,879	15	2,232,060
16 Total assets. Add lines 1 through 15 (must equal line 34)	35,084,520	16	43,099,801	
Liabilities	17 Accounts payable and accrued expenses	419,754	17	530,823
	18 Grants payable		18	
	19 Deferred revenue	153,174	19	55,083
	20 Tax-exempt bond liabilities	0	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities. Complete Part X of Schedule D	4,894,853	25	5,158,764
	26 Total liabilities. Add lines 17 through 25	5,467,781	26	5,744,670
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	29,251,767	27	36,470,317
	28 Temporarily restricted net assets	364,972	28	884,814
	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.	29,616,739	33	37,355,131
34 Total liabilities and net assets/fund balances.	35,084,520	34	43,099,801	

Part XI Financial Statements and Reporting

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(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		566,762
Harvard University	04-2103580	2	X		X		X		
									0
									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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	0	0				0
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0				0
3 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0				0
4 Total. Add lines 1 through 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	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 2009 (line 6, column (f) divided by line 11, column (f))	14	0.00%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	0.00%
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐		
b 33 1/3% support test—2008. If the organization did not check 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—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ ☐		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐		

Part III Support Schedule for Organizations Described in 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	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
3 Gross receipts from activities that are not an unrelated trade or business under section 513	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
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 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
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						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
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0	0		0
13 Total support. (Add lines 9, 10c, 11, and 12.)	0	0	0	0	0	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 2009 (line 8, column (f) divided by line 13, column (f))	15	0.00%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	0.00%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	0.00%

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

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

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

Part IV

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

Part I Line 11H The Children's Orthopaedic Surgery Foundation, Inc. (Foundation) is not required under regulations established by the Secretary, Dr. Peter Waters, 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)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc

Employer identification number

04-2943146

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

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

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

2 Complete lines 2a through 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 Tax 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 tax year ▶

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

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

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other

c ☐ Preservation for future generations

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

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

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

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

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

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	0
1d	
1e	
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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	364,972	156,642			
b Contributions	770,000	100,000			
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	250,158	-108,330			
f Administrative expenses					
g End of year balance	884,814	364,972			

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

a Board designated or quasi-endowment ☐ 0%

b Permanent endowment ☐ 0%

c Term endowment ☐ 100%

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

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

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

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

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

Description of Investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	264,239	43,060	221,179
c Leasehold improvements	0	156,209	108,928	47,281
d Equipment	0	330,507	330,507	0
e Other	0	0	0	0
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				268,460

(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	0	
Closely-held equity interests	0	
Other PO pooled investment funds	6,643,270	FMV
.....	0	
.....	0	
.....	0	
.....	0	
.....	0	
.....	0	
.....	0	
.....	0	
.....	0	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	6,643,270	

(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) must equal Form 990, Part X, col. (B) line 13)	0	

(a) Description	(b) Book value
Due from Children's Hospital	375,987
Due from Physicians' Organization	685,516
Due from Sports Medicine Foundation, Inc.	981,331
Due from Harvard Medical School	189,228
	0
	0
	0
	0
	0
	0
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	2,232,060

1.	(a) Description of liability	(b) Amount
	Federal income taxes	0
	Severance plan obligation	2,519,330
	Due to Children's Hospital	976,319
	Due to Physicians' Organization	0
	Due to Children's Sports Medicine Foundation, Inc	151,925
	Accrued deferred compensation obligation	1,511,190
		0
		0
		0
		0
		0
		0
	Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	5,158,764

Schedule D (Form 990) 2009

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	37,765,090
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	30,501,184
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	7,263,906
4	Net unrealized gains (losses) on investments	4	309,249
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	165,238
9	Total adjustments (net). Add lines 4 through 8	9	474,487
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	7,738,393

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	38,239,577
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	309,249
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	165,238
e	Add lines 2a through 2d	2e	474,487
3	Subtract line 2e from line 1	3	37,765,090
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 must equal Form 990, Part I, line 12.)	5	37,765,090

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

1	Total expenses and losses per audited financial statements	1	30,501,184
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	30,501,184
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 must equal Form 990, Part I, line 18.)	5	30,501,184

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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X Line 2: 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

Part XIV Supplemental Information (continued)

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 the future financial position and results of the

operations of the Foundation has not yet been determined.

Part XII Line 4 Part XI Line 4 Unrealized changes in limited partnership interest

\$165,238

Part XIV Line 4

Assets limited as to use represent assets held in trust that are available to pay for future benefits to participants of the deferred

compensation and severance plans, and investments whose use has been restricted by donors to a specific time period or

purpose.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

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

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

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Employer identification number

04-2943146

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Children's Hospital Corp. 300 Longwood Ave Boston, MA	04-2774441	501(c)(3)	566,762	0			General Support
Orthopaedic Research & Educ. 6300 N River Road Rosemont, IL	36-6009467	501(c)(3)	19,000	0			General Support
			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			
2 Enter total number of section 501(c)(3) and government organizations			2				
3 Enter total number of other organizations			2				

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

(HTA)

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

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

Monitoring is provided by the Children's Orthopaedic Surgery Foundation (the "Foundation") through oversight of the terms and conditions of a written grant agreement.

Multyear agreements require yearly progress and financial reports for continuation of funding. During the year ended June 30, 2010, 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

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

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 any of the boxes on line 1a are 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, with respect to the filing organization or a related organization:

- | | | |
|--|-------------|---|
| 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 section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

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

- | | | |
|------------------------------------|-------------|---|
| a The organization? | 5a 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.

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

For Privacy Act and Paperwork Reduction Act Notice, see the instructions for Form 990.
(HTA)

Schedule J (Form 990) 2009

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) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
James R. Kasser, MD	(i) 360,000	246,300	505,462	65,743	10,845	1,188,350	0
	(ii) 75,000	0	0	0	0	75,000	0
John Emans, MD	(i) 360,000	321,300	379,013	88,067	0	1,148,380	0
	(ii) 0	0	0	0	0	0	0
Peter Waters, MD	(i) 360,000	321,300	503,403	88,067	0	1,272,770	0
	(ii) 0	0	0	0	0	0	0
Michael Millis, MD	(i) 336,000	188,700	320,561	88,067	0	933,328	0
	(ii) 0	0	0	0	0	0	0
Timothy M. Hresko, MD	(i) 360,000	164,700	278,922	88,067	4,853	896,542	0
	(ii) 0	0	0	0	0	0	0
Brian Snyder, MD	(i) 300,000	205,000	15,912	88,067	7,581	616,560	0
	(ii) 0	0	0	0	0	0	0
Lawrence Karlin, MD	(i) 444,000	23,600	70,922	88,067	16,357	642,946	0
	(ii) 0	0	0	0	0	0	0
Seymour Zimble, MD	(i) 120,000	347,600	70,512	88,067	11,044	637,223	0
	(ii) 0	0	0	0	0	0	0
Young-Jo Kim, MD	(i) 300,000	224,700	432,122	82,486	9,139	1,048,447	0
	(ii) 0	0	0	0	0	0	0
Mininder Kocher, MD	(i) 420,000	260,700	594,796	33,486	3,485	1,312,467	0
	(ii) 394,800	245,058	559,108	77,537	3,276	1,279,779	0
Daniel Hedequist, MD	(i) 384,000	83,600	401,522	65,743	0	934,865	0
	(ii) 0	0	0	0	0	0	0
Martha Murray, MD	(i) 204,000	76,000	8,622	82,486	0	371,108	0
	(ii) 86,587	0	24,746	0	0	111,333	0
Donald Bae, MD	(i) 300,000	167,600	381,822	82,486	0	931,908	0
	(ii) 0	0	0	0	0	0	0
Susan Mahan, MD	(i) 168,000	223,900	96,822	82,486	0	571,208	0
	(ii) 0	0	0	0	0	0	0
Gregory Melkonian, MD	(i) 168,000	223,900	158,224	88,067	11,890	650,081	0
	(ii) 0	0	0	0	0	0	0
Samantha Spencer, MD	(i) 270,000	121,900	305,422	82,486	0	779,808	0
	(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 a nonqualified severance benefit plan called the Children's Orthopaedic Surgery

Foundation, Inc. Severance Benefit Plan, effective as of September 1, 1991, to supplement the severance, death or disability

benefits available to certain employees of the Foundation. The Board of Directors designates eligible employees and determines

benefits. The Severance Benefit Plan was frozen as of December 31, 2004. Although the assets of the trust have been irrevocably

set aside for payment of deferred compensation benefits, they are subject first to the claims of the Foundation's creditors in the

event the Foundation is subject to bankruptcy proceedings. The liability owed to the plan participants as of June 30, are:

James R. Kasser, MD (President) \$447,480

John B. Emans, MD (Treasurer) \$489,313

Peter Waters, MD (Clerk) \$429,225

Michael B. Millis, MD (Director) \$572,412

Timothy Hresko, MD (Director) \$118,666

Brian Snyder, MD (Director) \$55,459

Seymour Zimble, MD (Director) \$55,994

Young-Jo Kim, MD (Director) \$44,367

Mininder Kocher, MD (Director) \$205,591

Lyle Micheli, MD (Director) \$85,250

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 5A

The Children's Orthopaedic Surgery Foundation, Inc. (Foundation) paid bonus compensation based on the revenues of the Foundation. Bonuses are normally paid in June and December. There is an income statement maintained for each physician. The bonuses are based on the excess balance accumulated in each physician's income statement, the performance of the physician during the six month period, the necessary reserve requirement of three month's salary plus any other reserve deemed appropriate by the Chief of the Department.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

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

OMB No 1545-0047

2009

**Open To Public
Inspection**

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

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

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

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

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization. ▶ \$ _____

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Donald Bae Retention		X	400,000	320,000		X	X		X	
Daniel Hedequist Retention		X	400,000	200,000		X	X		X	
Young-Jo Kim Retention		X	175,000	0		X	X		X	
Samantha Spencer Retention		X	350,000	280,000		X	X		X	
See Statement O-for more detail			1,540,000	1,232,000						
Total			0	0						
			Total		▶ \$ 2,032,000					

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
		0			
		0			
		0			
		0			
		0			
		0			

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

PART VI, QUESTION 1A & 1B

A majority of the Foundation's board members are physicians who are not independent from the Foundation. However, the

Foundation participates in an integrated delivery system with the Children's Hospital of Boston (Hospital), which does

have a community board. The Foundation was organized in 1986. 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 responsive to the Hospital by adding the Physicians Organization (PO) as a member. See Schedule O.

Part VI, Question 3, 6, 7b and 12 for more detailed of the PO's rights.

PART XI LINE 2C

The audit process has not changed from the prior year.

PART VI QUESTION 3

The Physicians' Organization at Children's Hospital Boston (PO) is a Class "C" member of Children's Hospital Orthopaedic

Surgery 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 plans for all physician employees of the Foundation. The PO is

considered the compensation committee of the Foundation.

PART VI, QUESTION 6

The Children's Orthopaedic Surgery Foundation have three classes of members. The Chief of the Department of Orthopaedic

Surgery (Foundation) of the Children's Hospital in Boston is a Class "A" member. Each person who is a member of the

Foundation, other than the Chief of the Foundation, may become a Class "B" member of the Foundation upon recommendation

by the Class "A" member and approval of the Class "B" members. The Physicians' Organization at Children's Hospital Boston is

a Class "C" member of Children's Orthopaedic Surgery Foundation.

Name of the organization

Employer identification number

Children's Orthopaedic Surg. Foundation, Inc.

04-2943146

PART VI, QUESTION 7A

According to the the Articles of Organization, the chief of the Department of Orthopaedic Surgery of Children's Hospital is the the Class "A" member of Children's Orthopaedic Surgery Foundation, Inc. (Foundation). Each person who is a member of the Foundation, other than the Chief of the Department, is a Class "B" member of the Foundation. The Class "A" and Class "B" members of the Foundation elect the Board of Directors from nominees presented by the Executive Committee at their annual meeting. Each member is entitled to one vote upon any question at any meeting of the members.

PART VI, QUESTION 7B

The Physicians' Organization at Children's Hospital Boston (PO) is a Class "C" member of Children's Hospital Orthopaedic Surgery 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 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 the Foundation's annual meeting and has certain voting rights. The PO as a Class "C" member has one of the 21 votes.

PART VI, QUESTION 10

The detailed review will be conducted by the President of the Foundation, James R. Kasser and the administrator Dean Bauer. An electronic copy will be provided to the board along with a hard copy of Form 990 prior to filing. The details review will be conducted before filing the return with the Internal Revenue Service.

Part XI, Line 2C

The audit process has not changed from the prior year.

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

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 its 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 retention and destruction policy. However, the committee has plans to develop these policies in the next year.

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc

Employer identification number

04-2943146

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 6/30/2010.

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 Children's Hospital Orthopaedic Surgery Foundation, Inc. (Foundation) has provided several secured loans, some of which are interest bearing to nine officers of the Foundation. The loans were made for recruitment and retention purposes. The loans will be forgiven over the terms of the notes, if the recipients remain employed at the Foundation or its affiliate. The amount of the loan forgiveness will be included with accrued interest, if applicable, as compensation in the year forgiven.

Name of the organization

Employer identification number

Children's Orthopaedic Surg. Foundation, Inc.

04-2943146

SCHEDULE L, PART II - Loans to and/or From Interested Persons

The following loans were provided from Children's Orthopaedic Surgery Foundation, Inc.

Name	Purpose	Original Amount	Balance Due	Default	Approved/Agreement
Mininder Kocher	Retention	\$640,000	\$512,000	No	Yes
Dennis Kramer	Recruitment	\$100,000	\$80,000	No	Yes
Dennis Kramer	Retention	\$300,000	\$240,000	No	Yes
Travis Matheney	Recruitment	\$100,000	\$80,000	No	Yes
Gregory Melkonian	Recruitment	\$100,000	\$20,000	No	Yes
Lawrence Karlin	Retention	\$300,000	\$300,000	No	Yes

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Children's Orthopaedic Surg. Foundation, Inc.

Employer identification number

04-2943146

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	
-----				0	

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Boston Children's Heart Foundation, Inc 04-2790699 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(3) 11	N/A
President & Fellows of Harvard 04-2103580 1033 Massachusetts Ave, Cambridge, MA 02138	Education	MA	501(c)(3)	170(b)(1)(A)(ii) 2 N/A	
Physician's Organization at Children's Hospital 04-3266103 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A
Boston Neurosurgical Foundation, Inc 04-2986097 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A
Boston Plastic & Oral Surgery Foundation, Inc 04-3286718 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A
CHMC Anesthesia Foundation, Inc 04-2702169 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A
CHMC Cardiovascular Surgical Foundation, Inc 04-2764370 300 Longwood Avenue, Boston, MA 02115	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A
-----	Healthcare	MA	501(c)(3)	509(a)(2) 9	N/A

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

(HTA)

Schedule R (Form 990) 2009

Part III

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

[illegible]

Part IV

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

[illegible]

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

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

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?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to other organization(s)	1b	X
c Gift, grant, or capital contribution from other organization(s)	1c	X
d Loans or loan guarantees to or for other organization(s)	1d	X
e Loans or loan guarantees by other organization(s)	1e	X
f Sale of assets to other organization(s)	1f	X
g Purchase of assets from other organization(s)	1g	X
h Exchange of assets	1h	X
i Lease of facilities, equipment, or other assets to other organization(s)	1i	X
j Lease of facilities, equipment, or other assets from other organization(s)	1j	X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	X
m Sharing of facilities, equipment, mailing lists, or other assets	1m	X
n Sharing of paid employees	1n	X
o Reimbursement paid to other organization for expenses	1o	X
p Reimbursement paid by other organization for expenses	1p	X
q Other transfer of cash or property to other organization(s)	1q	X
r Other transfer of cash or property from other organization(s)	1r	X

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.

(1)	(a) Name of other organization	(b) Transaction type (a-f)	(c) Amount involved
(1)			0
(2)			0
(3)			0
(4)			0
(5)			0
(6)			0

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box. ☒ **X**
- Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization		Employer identification number
	Children's Orthopaedic Surgery Foundation, Inc.		04-2943148
	Number, street, and room or suite no. If a P.O. box, see instructions.		For IRS use only
	300 Longwood Ave., Suite HU221		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
	Boston MA 02115		

Check type of return to be filed (File a separate application for each return):

- | | | | |
|--|---|--------------------------------------|------------------------------------|
| ☒ Form 990 | ☐ Form 990-PF | ☐ Form 1041-A | ☐ Form 6069 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 4720 | ☐ Form 8870 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

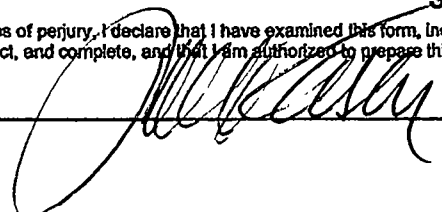
- The books are in the care of ☒ Dean Bauer, 300 Longwood Avenue HU221, Boston, MA 02115
Telephone No. ☒ 617-355-8699 FAX No. ☒ 617-730-0465
- If the organization does not have an office or place of business in the United States, check this box. ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A. If this is for the whole group, check this box. ☐. If it is for part of the group, check this box. ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until 5/16/2011.
- 5 For calendar year _____, or other tax year beginning 7/1/2009, and ending 6/30/2010.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension More time is requested to acquire all information needed to complete and file an accurate return.

8 a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title PRESIDENT Date 12/28/2010