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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

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

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

C Name of organization
Children's Hospital Corporation

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 300 Longwood Avenue

Room/suite

City or town, state or country, and ZIP + 4
Boston, MA 02115

D Employer identification number
04-2774441

E Telephone number
(617) 355-6881

G Gross receipts $ 1,703,193,691

F Name and address of principal officer
James Mandell MD
300 Longwood Avenue
Boston, MA 02115

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www childrenshospital org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1982

M State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Provider of pediatric healthcare, education, research & community service

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	10,713
6	Total number of volunteers (estimate if necessary)	**6**	969
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	105,514
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-140,416

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	280,671,226	358,360,283
	9 Program service revenue (Part VIII, line 2g)	1,073,347,471	1,038,967,616
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,620,310	39,333,015
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	20,743,483	35,857,830
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,395,382,490	1,472,518,744
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	9,752,792	10,009,615
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	670,316,176	680,513,528
	16a Professional fundraising fees (Part IX, column (A), line 11e)	1,413,857	1,352,435
	b Total fundraising expenses (Part IX, column (D), line 25) ▶22,401,982		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	608,092,799	624,309,005
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,289,575,624	1,316,184,583
	19 Revenue less expenses Subtract line 18 from line 12	105,806,866	156,334,161

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	3,065,308,985	3,369,546,205
	21 Total liabilities (Part X, line 26)	1,212,579,878	1,239,973,224
	22 Net assets or fund balances Subtract line 21 from line 20	1,852,729,107	2,129,572,981

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: 2012-08-08

Sandra Fenwick President & COO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ Ernst & Young LLP				Firm's EIN ▶
Firm's address ▶ 200 Clarendon Street Boston, MA 021165072				Phone no ▶ (617) 266-2000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Boston Children's Hospital (Children's) is the nation's premier pediatric hospital with a commitment to advancing the health of children worldwide We serve as the community hospital for the children of Boston, provide specialty pediatric care throughout the region and offer children across the world facing challenging medical issues with access to innovative, life saving care Children's vision is to advance pediatric care - both in our local neighborhoods and worldwide - through a commitment to innovation and science-based care All of our activities are driven by four interwoven missions providing access to high quality, compassionate and innovative clinical care to children, researching new cures and treatments for diseases, training the next generation of pediatric caregivers and improving the health and well being of children with a special emphasis on helping the children of Boston grow and learn in safe, healthy environments

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 $ 808,948,734 including grants of $ 10,009,615) (Revenue $ 1,000,548,090)

CLINICAL CARE As one of the largest pediatric hospitals in the U S and the only freestanding pediatric hospital in Massachusetts, Children's provides access to safe, high quality healthcare services that meet the unique needs of children and their families, regardless of their ability to pay The range of services we offer - from well child visits and treatment for typical child health issues (broken bones, tonsillitis, etc) to chronic care (asthma, diabetes, obesity, etc) and specialty services (oncology, cardiology, neurology) - benefits from the high level of specialization of our experts, the collaboration with research scientists (many of whom are also physicians) affiliated with the hospital, and the significant investments in equipment, facilities and clinical and support staff In addition, our team has a deep commitment to setting the bar for quality and safety and exceeding the expectations of our patients' and their families' for service, undertaking significant investments in each of these areas On an annual basis, Children's sees 23,998 inpatients at our hospital, 943 inpatients at satellites, 557,620 outpatients, 53,841 patients in our community health clinic, of these patients, more than 20% (CMI > 2 00) can be qualified as clinically complex Of these patients, more than 38% (patients on Medicaid/Medicare) are considered low income Children's is the safety net institution for very sick children throughout the region, backing up the entire healthcare system for the most complex pediatric cases We receive referrals from community hospitals as well as from other academic medical centers Children's is the single largest provider of care to children enrolled in the Medicaid program, seeing approximately 30% of all pediatric Medicaid discharges statewide, including many of the sickest children Children's also provides clinical care for the largest number of uninsured children in the state, total free care and losses from Medicaid in FY 2011 were approximately $45 million Recognizing the difficulties community-based hospitals face in providing specialized pediatric care (which requires significant investments in staff, equipment and training), Children's has expanded its partnerships with community hospitals throughout Eastern Massachusetts With more than 60 physicians based at 6 community hospitals, we enhance the community's - and the state's - ability to provide access to emergency, neonatal, inpatient and outpatient specialty services for children Children's also operates three outpatient facilities in Waltham, Lexington and Peabody that offer specialized care in cardiology, gastroenterology, neurology, respiratory diseases, diabetes, orthopedic surgery, urology and other specialties Each year, Children's advances the quality of the clinical care it provides by recruiting talented new staff, investing in updated equipment and technology, undertaking safety/quality initiatives, supporting community health programs and ensuring that our facilities make the care process easier and more comfortable for all the patients and families we serve For example Focus on Quality Children's Hospital Boston has established the Center of Excellence for Quality Measurement to improve how healthcare is delivered to children in America In 2009, the Child Health Insurance Program Reauthorization Act called for a national Pediatric Quality Measures Program to convene experts, solicit public input, and build infrastructure to provide measures that can significantly advance the quality of children's healthcare The Center has been established in response to that requirement Measuring and reporting quality of health care relying on pediatric specific metrics is a key tool to try to assure that all children receive excellent care Expanding Access As part of our ongoing collaboration with South Shore Hospital (SSH), Children's helped SSH expand its Pediatric Emergency Service operating hours Since July 2011, a staff of 13 pediatricians and a core group of nurses, child life specialists and five pediatric emergency medicine physicians provide 24/7 coverage for SSH's surrounding communities Additional Children's physicians provide coverage on a rotating basis Also in 2011, Children's Hospital Boston entered into a new collaboration with Children's Hospital at Dartmouth-Hitchcock (CHaD) to enhance the specialty pediatric care available at CHaD's practice in Manchester, NH In July, Children's gastroenterologists and nephrologists began providing outpatient care and endoscopy services CHaD and Children's also jointly recruited a cardiologist who will split his time between the two sites Improved approach to Gastrointestinal Endoscopy Endoscopic exams for gastrointestinal ailments have historically been done under general anesthesia, which means they need to be done in an operating room By performing exams of low risk children under sedation in a dedicated procedure unit - a service that is also offered in our Lexington and Waltham facilities - the Gastroenterology & Nutrition Program has avoided nearly $930,000 in estimated payments since 2006 In that time, patients and families have reported increased satisfaction, particularly among adolescents who receive repeated endoscopies, and also reduced waiting times and increased convenience Headache Collaborative uses medical home model to improve response The foundation of the Headache Collaborative lies in engaging primary care physicians and families as partners in the care of children with chronic headaches, shifting care out of the hospital and embracing a "medical home" model of care A full 95 percent of primary care physicians who work with the project report that they feel more confident in their ability to provide effective headache care, reducing the need to rely on specialists for long-term headache care Based on reduced utilization of hospital resources, the Collaborative could eliminate $384,000 in estimated payments every year

4b (Code) (Expenses $ 295,664,000 including grants of $ 0) (Revenue $ 122,729,000)

RESEARCH Children's believes we enhance the well-being of the children and families by being the leading source of research and discovery on child health issues, seeking new approaches to the prevention, diagnosis and treatment of childhood and adult diseases With over $239 million in annual funding and 800,000 square feet of space, Children's is home to the world's largest and most active research enterprise at a pediatric center The research mission of Children's encompasses basic research, clinical research, community service programs and the postdoctoral training of new scientists While the NIH is our largest sponsor, Children's has made a significant investment in supporting the research activities with more than $17 million invested to support research programs in 2011 Our investigators hold numerous prestigious honors and awards, including many "research firsts " In our laboratories and clinics, hundreds of scientists seek to identify the factors that contribute to both childhood and adult diseases and to develop effective treatments for them Our investigators are Harvard Medical School faculty - basic scientists, clinical researchers, and epidemiologists - who are accelerating the pace of medical discovery from brainstorm to bench to bedside Our researchers were the first to develop 10 new disease-based stem cell lines by reprogramming adult stem cells that can be used to study treatments for diseases ranging from Parkinson's to Diabetes Clinicians and researchers at Children's work collaboratively with colleagues throughout the medical community to translate basic science research into applications for clinical care These projects frequently have applications that go beyond the pediatrics to impact adult care as well For example MRIs may be used to drive surgical robots in the future Engineers at Children's have demonstrated the ability to program the magnetic field generated by a clinical MRI scanner to motorize and control a robotic instrument - in this case, a surgical biopsy needle Researchers demonstrated that MRI, in addition to providing terrific images of soft tissue, can also produce sufficient force to drive a robotic device The ultimate goal is to create magnetically powered robots that can either travel through the body to perform highly targeted therapies or reside inside the body as adjustable prosthetic devices Possible uses could include tiny ball-bearing-sized robots that could be steered through the cerebrospinal fluid or the urinary system to deliver drugs or stem cells, and implantable devices that could be adjusted to regulate blood flow in the heart, or gradually enlarged to prevent the need for new, larger implants as a child grows School obesity-prevention curriculum can reduce medical costs Teaching middle-school children about nutrition and exercise and encouraging them to watch less TV can save the health care system a substantial amount of money, suggests an economic analysis from Children's and the Centers for Disease Control and Prevention Using data from a randomized, controlled study conducted at 10 Massachusetts middle schools, five of which adopted the obesity prevention curriculum Planet Health, the researchers created a model projecting a net savings of $14,000 for the 254 girls receiving the curriculum, by averting the costs of treating obesity and eating disorders They project that expanding the program to even just 100 schools could save the health care system $680,000 New approaches open up in spinal muscular atrophy Spinal muscular atrophy (SMA) is the leading genetic cause of death in children under 2, with no treatment other than supportive care Researchers at Children's showed how loss or mutation of the SMA gene causes progressive muscle degeneration and weakness, and suggest a promising approach to treating the condition, sometimes referred to as a "Lou Gehrig's disease of babies" Spinal muscular atrophy, or SMA, affects one in every 1 in 6,000-10,000 infants, but an estimated 1 in 35-40 people are carriers, according to the SMA Foundation Infants with SMA are born with low muscle tone, and in many cases are too weak to breathe and swallow on their own, they usually die from respiratory failure The new findings reveal that loss of the SMA gene - and resulting depletion of a protein called SMN - makes nerve fibers from the spinal cord unable to navigate toward and form synapses (connections) with the muscles they're meant to control But they also demonstrate that this problem could be reversed in a zebrafish model of the disease Dialing up fetal hemoglobin dials down sickle cell disease Flipping a single molecular switch can reverse illness in a model of sickle cell disease, according to a study by researchers at Children's and Dana-Farber Cancer Institute When turned off, the switch, a protein called BCL11A, allows the body to manufacture red blood cells with an alternate form of hemoglobin unaffected by the mutation that causes the disease The findings provide strong evidence that BCL11A could be a powerful treatment target for a significant global health problem, one that affects between 75,000 and 100,000 people in the United States alone First described over 100 years ago, sickle cell disease (or sickle cell anemia) is an inherited blood disease caused by a single mutation in one of the components of hemoglobin, the oxygen-carrying protein in red blood cells The mutation reduces the protein's ability to carry oxygen, and forces the cells to curve into a distinctive crescent or sickle shape, causing them to painfully accumulate and break apart in small blood vessels

4c (Code) (Expenses $ 33,963,428 including grants of $ 0) (Revenue $ 17,706,486)

TEACHING Over the course of the year, 172 residents, 267 clinical fellows, 550 research fellows and 875 rotating residents/fellows come to Children's from around the world More importantly, these men and women are selected for their potential leadership in their respective fields and their commitment to advancing the frontiers of pediatric care In fact, a 24-year analysis of residents who have graduated from our Department of Medicine found that 44 percent go on to become leaders in academic medicine, including positions as deans, chairs and program heads across the country Over a third of the chiefs of pediatric departments across the country trained at Children's We train individuals at all parts of the care continuum, including medical students, interns, residents, fellows, nursing students, community pediatricians and continuing professional education for all of our clinical staff Children's offers the only training program in Massachusetts for Adolescent Medicine, Neurodevelopmental Disabilities, Pediatric Cardiology, Pediatric Hematology/Oncology, Pediatric Nephrology, Pediatric Pathology, Pediatric Surgery, Pediatric Sports Medicine, Pediatric Urology All still correct, can also add Pediatric Orthopedics, Pediatric Transplant Hepatology and Congenital Cardiac SurgeryChildren's offers the only training program in New England for Adolescent Medicine, Neurodevelopmental Disabilities, Pediatric Sports Medicine, Pediatric Urology, Pediatric Transplant Hepatology, and Congenital Cardiac SurgeryChildren's has the largest accredited training program in the country for Child Neurology, Pediatric Anesthesiology, Pediatric Cardiology, and Pediatric EndocrinologyIn addition, Pediatric Sports Medicine is one of only 13 accredited pediatric sports medicine programs in the country and Neurodevelopmental Disabilities is one of only 9 accredited neurodevelopmental disabilities programs in the country Congenital Cardiac Surgery is one of 11 in the country, Pediatric Transplant Hepatology is one of 5 in the country, Medical Biochemical Genetics is one of 11 in country (2 in MA/New England)

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**
(Expenses $ 8,168,684 including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 1,146,744,846

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	Yes	
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	704		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	10,713		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	Yes	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	Yes	
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Tom Honan-Chief Financial Officer
300 Longwood Avenue
Boston, MA 02115
(617) 355-6881

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any 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 neither the organization nor any related organization compensated any current officer, director, or trustee

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								13,531,060	0	1,401,517

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 ▶ 1,364

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
G Green Construction Co Inc PO Box 160 Boston, MA 02134	Construction Services	27,183,133
William A Berry & Son Inc 99 Conifer Hill Drive Danvers, MA 01923	Construction Services	13,720,423
The Brigham and Women's Hospital 75 Francis Street Boston, MA 02115	Healthcare/Research Services	8,644,674
Beth Israel Deaconess Medica Center 330 Brookline Avenue Boston, MA 02115	Healthcare/Research Services	5,007,852
Harvard Vanguard Medical Associates 275 Grove Street Newton, MA 02466	Healthcare Service	4,240,314

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 ▶ 188

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	4,554				
	b	Membership dues					
	c	Fundraising events	3,017,869				
	d	Related organizations					
	e	Government grants (contributions)	179,141,072				
	f	All other contributions, gifts, grants, and similar amounts not included above	176,196,788				
	g	Noncash contributions included in lines 1a-1f $	5,362,977				
	h	**Total.** Add lines 1a-1f		358,360,283			
Program Service Revenue			Business Code				
	2a	Patient Svc Revenue	621110	1,000,437,307	1,000,437,307		
	b	Graduate Medical Educa	611710	17,706,486	17,706,486		
	c	Prog Svc Grants	621110	12,274,101	12,274,101		
	d	Prof Svc Revenue	621110	8,438,939	8,438,939		
	e	Lab Revenue	621500	110,783		110,783	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		1,038,967,616			
	3	Investment income (including dividends, interest and other similar amounts)		5,544,197		-5,269	5,549,466
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties		1,990,718			1,990,718
			(i) Real / (ii) Personal				
	6a	Gross Rents	14,379,155 /				
	b	Less rental expenses	/				
	c	Rental income or (loss)	14,379,155 /				
	d	Net rental income or (loss)		14,379,155			14,379,155
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	262,461,985 / 609,397				
	b	Less cost or other basis and sales expenses	228,466,269 / 816,295				
	c	Gain or (loss)	33,995,716 / -206,898				
	d	Net gain or (loss)		33,788,818			33,788,818
Other Revenue	8a	Gross income from fundraising events (not including $ 3,017,869 of contributions reported on line 1c) See Part IV, line 18	a 1,124,800				
	b	Less direct expenses	b 1,341,111				
	c	Net income or (loss) from fundraising events		-216,311			-216,311
	9a	Gross income from gaming activities See Part IV, line 19	a 455,400				
	b	Less direct expenses	b 51,272				
	c	Net income or (loss) from gaming activities		404,128			404,128
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Other General Services	900099	8,511,865			8,511,865
	b	Parking Revenue	812930	5,963,590			5,963,590
	c	Cafeteria Sales	722210	4,824,685			4,824,685
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		19,300,140			
	12	**Total revenue.** See Instructions		1,472,518,744	1,038,856,833	105,514	75,196,114

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	8,436,957	8,436,957		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	1,572,658	1,572,658		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	12,594,779	658,166	11,054,181	882,432
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	528,253,233	455,971,278	61,923,220	10,358,735
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	32,102,866	29,922,637	1,133,133	1,047,096
9 Other employee benefits	66,689,408	65,253,478	286,245	1,149,685
10 Payroll taxes	40,873,242	39,540,083		1,333,159
a Fees for services (non-employees) Management	6,902,559		6,902,559	
b Legal	1,809,841		1,805,074	4,767
c Accounting	1,101,400		1,101,400	
d Lobbying	61,600	61,600		
e Professional fundraising services *See Part IV, line 17*	1,352,435			1,352,435
f Investment management fees				
g Other	150,956,335	139,020,208	11,459,962	476,165
12 Advertising and promotion	930,116	850,051	58,482	21,583
13 Office expenses	78,102,225	39,665,098	34,753,690	3,683,437
14 Information technology	17,548,696	3,798,390	13,315,632	434,674
15 Royalties				
16 Occupancy	67,972,904	67,114,196	14,124	844,584
17 Travel	4,277,477	3,667,478	534,550	75,449
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,240,438	754,178	422,859	63,401
20 Interest	29,624,891	29,624,891		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	89,197,026	88,522,646		674,380
23 Insurance	7,494,576	5,221,932	2,272,644	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Lab/Medical/Pharmacy	121,156,878	121,156,878		
b Uncollectible Accts	24,093,782	24,093,782		
c Free Care	12,913,480	12,913,480		
d Uncompensated Care	8,924,781	8,924,781		
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	1,316,184,583	1,146,744,846	147,037,755	22,401,982
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		515,336	2	1,540,955
	3	Pledges and grants receivable, net		28,876,609	3	96,811,013
	4	Accounts receivable, net		148,156,277	4	155,194,338
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		9,731,029	8	10,798,056
	9	Prepaid expenses and deferred charges		3,973,904	9	5,723,050
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,796,863,453			
	b	Less accumulated depreciation	10b 1,009,834,947	748,839,324	10c	787,028,506
	11	Investments—publicly traded securities		263,561,140	11	382,195,882
	12	Investments—other securities See Part IV, line 11		340,336,423	12	430,807,838
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,521,318,943	15	1,499,446,567
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		3,065,308,985	16	3,369,546,205
Liabilities	17	Accounts payable and accrued expenses		234,505,853	17	228,112,635
	18	Grants payable			18	
	19	Deferred revenue		41,468,340	19	49,961,483
	20	Tax-exempt bond liabilities		465,977,214	20	466,043,562
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		200,000,000	23	200,000,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		270,628,471	25	295,855,544
	26	**Total liabilities.** Add lines 17 through 25		1,212,579,878	26	1,239,973,224
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		1,123,123,234	27	1,231,281,251
	28	Temporarily restricted net assets		377,607,758	28	358,702,226
	29	Permanently restricted net assets		351,998,115	29	539,589,504
		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		1,852,729,107	33	2,129,572,981
	34	Total liabilities and net assets/fund balances		3,065,308,985	34	3,369,546,205

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	1,472,518,744
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,316,184,583
3	Revenue less expenses Subtract line 2 from line 1	3	156,334,161
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	1,852,729,107
5	Other changes in net assets or fund balances (explain in Schedule O)	5	120,509,713
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,129,572,981

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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?

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** 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—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** 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—2009.** 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	**17**	
18	Investment income percentage from **2009** Schedule A, Part III, line 17	**18**	

19a **33 1/3% support tests—2010.** 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—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Additional Data

Software ID:
Software Version:
EIN: 04-2774441
Name: Children's Hospital Corporation

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Stephen Karp Trustee - Chairman	5 00	X						0	0	0
Douglas Berthiaume Trustee - Vice Chair	2 00	X						0	0	0
Allan Bufferd Trustee	1 00	X						0	0	0
William L Boyan Trustee (10/1/10-12/31/10)	1 00	X						0	0	0
Steven Fishman MD Trustee, ex officio	1 00	X						0	0	0
Gary Fleisher MD Trustee, ex officio	1 00	X						0	0	0
Winston Henderson Trustee	1 00	X						0	0	0
Mira Irons MD Trustee,ex officio	1 00	X						0	0	0
James Kasser MD Trustee,ex officio	1 00	X						0	0	0
Harvey Lodish PhD Trustee	1 00	X						0	0	0
Gary Loveman Trustee	1 00	X						0	0	0
Ralph C Martin Trustee	1 00	X						0	0	0
Robert A Smith Trustee	1 00	X						0	0	0
Robert Smyth Trustee	1 00	X						0	0	0
Eileen Spring MSNRN Chief Nursing Officer/Noncomp Trste	55 00	X						596,700	0	70,959
Alison Taunton-RigbyPhD Trustee	1 00	X						0	0	0
Ann Thornburg Trustee	1 00	X						0	0	0
Marc B Wolpow Trustee	1 00	X						0	0	0
Gregory Young MD Trustee	1 00	X						0	0	0
James Mandell MD CEO/Noncomp Trustee,ex offici	55 00	X		X				1,861,684	0	129,768
Sandra Fenwick President & COO, Noncomp Trste,ex offico	55 00	X		X				1,294,843	0	109,407
David Kirshner CFO & Treasurer	55 00			X				716,011	0	72,691
Bruce Balter Asst Treasurer/Dir Corp Financial Svc	55 00			X				245,607	0	48,007
Stuart Novick Esq General Counsel & Secretary	55 00			X				668,306	0	75,269
Dianne Hatfield Asst Secretary/Exec Asst	55 00			X				96,483	0	23,188

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Demosthenes Argys SVP, & Chief Administrative Officer	55 00				X			572,381	0	65,561
Carleen Brunelli PhD VP, Research Administration	55 00				X			381,898	0	54,868
Janet Cady President, CH Trust	55 00				X			609,273	0	82,358
M Laurie Cammisa VP, Child Advocacy	55 00				X			379,104	0	47,061
Daniel Nigrin MD SVP & Chief Information Officer	55 00				X			576,057	0	64,937
Philip Rotner Chief Investment Officer	55 00				X			624,602	0	53,065
Inez Stewart VP, Human Resources	55 00				X			431,406	0	59,530
Henry Tomasuolo VP, Support Services	55 00				X			405,579	0	57,338
Charles Weinstein VP, RE Planning & Development	55 00				X			456,364	0	70,349
Orah Platt MD Chief, Lab Medicine	55 00				X			439,385	0	35,128
Scott Ogawa Chief Technology Officer &	55 00				X			341,113	0	32,810
Patricia Hickey PhD MBA VP, Critical Care Pat Svc	55 00				X			335,478	0	37,639
David Demaso MD Chief, Psychiatry	55 00				X			337,307	0	35,265
Nader Rifai PhD Director, Chemistry	55 00					X		513,603	0	45,883
Clifford Woolf MB BChPhD Director, Neurology	55 00					X		462,343	0	17,160
Carlo Brugnara MD Director, Hematology	55 00					X		421,122	0	45,558
Melvin Glimcher MD Physician, Othopaedics	55 00					X		405,230	0	29,692
Sitaram Emani MD Physician, Cardiac Surgery	55 00					X		359,181	0	38,026

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses $ 8,168,684 including grants of $ 0) (Revenue $ 0)

Community Nearly 20 years ago, Boston Children's Hospital was among the first academic medical centers in the country to expand the traditional missions of patient care, teaching, and research to embrace a fourth core mission community health Over the years, Children's approach to improving the health and well-being of children and families in our local community and beyond has evolved and matured Today, the hospital concentrates its community programs in core areas where it has the expertise, resources and community partnerships to improve health outcomes and address significant health needs Children's community mission is based on what the community needs It revolves around keeping children healthy through wellness and prevention efforts, ensuring that children have access to needed health care services and partnering with others to address non-health issues that clearly impact health such as violence, employment and education In all these endeavors, Children's priorities are aligned with those of the City of Boston, the Boston Public Health Commission, the Boston Public Schools and other key partners and city agencies Community needs are addressed through three focus areas within the community mission 1) improving access to care and serving as a safety net hospital, 2) supporting programs to achieve systemic change in core health issues-asthma, obesity, mental health and child development, and 3) working with partners to address the social determinants of health that affect the entire community (education, violence and workforce development) These are also areas in which Children's has significant clinical expertise, strong partnerships and the resources to make an impact * Understanding community needs *Everything Children's Hospital Boston does to fulfill its community mission is based on how it can best utilize its expertise and resources to address the health issues families experience today Children's uses both formal and informal methods to listen and learn from the community This requires continued engagement, seeking input and having ongoing conversations with residents, community leaders and the hospital's key partners including the City of Boston, the Boston Public Health Commission (BPHC), Community Health Centers and the Boston Public Schools Through the Office of Child Advocacy (OCA), the hospital regularly convenes providers and staff working on community health initiatives throughout the hospital This internal Community Health Team provides feedback on the current challenges and needs of families as well as offers input on how the hospital can best work with its partners OCA also meets on a regular basis with leaders and staff at community health centers, community organizations and city agencies to better understand the impact of health issues and barriers to care Through its Community Advisory Board (CAB), which meets on a quarterly basis, the hospital has a direct link to expertise on Boston neighborhoods, community organizations and current health needs The CAB is instrumental in providing feedback throughout the year and in the development and execution of Children's formal assessment process This feedback from experts, community leaders and partners as well as the CAB informs the hospital's community mission, facilitates and strengthens the development of partnership and helps to shape the implementation of the hospital's community strategy Guided by the CAB, Children's conducts a comprehensive community assessment every three years to "takes the pulse" in Boston neighborhoods surrounding the hospital Focus groups with residents, interviews with key stakeholders and an analysis of data and best practice literature provides detailed insight of not just concerns and needs, but also the strengths and the assets of the community Children's last formal report was completed in 2009 and the hospital is now preparing for its next assessment to be completed in 2013 The data collection process is underway as the hospital embarks on a first-of-its-kind study of Boston children, the Boston Child Health Study, in partnership with the BPHC For more details on the needs assessment process, visit childrenshospital org/community A copy of the last assessment completed in 2009 can also be found on the web site * Serving as a Safety Net *Children's is the leading provider of health care to low-income and underinsured children in Massachusetts And provides care unavailable elsewhere in the state and sometimes the nation Children's also treats pediatric patients from Massachusetts regardless of their ability to pay Children's is also a safety net provider for Boston children More than half of all Boston children hospitalized come to Children's This safety net is financial in that the hospital provides free care, subsidizes care for Medicaid patients, and incurs bad debt for patient families who cannot pay for the care they receive It is programmatic in that Children's offers vital, hospital-subsidized services that are either unavailable elsewhere or available only in very limited capacity, such as mental health, dental and primary care

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

* A Community Health Leader *Based on community needs assessment, Children's has identified and prioritized core areas (asthma, mental health, child development and obesity) and has developed and implemented programs to address these health needs The programs are viewed collectively as part of a portfolio that utilizes uniform standards and a performance measurement system to measure social impact Each program in the portfolio must address specific health needs identified by the community, engage the community in the development and implementation of programs, and provide services to address health disparities As a result, Children's has been able to show social impact by demonstrating how the programs achieve systemic change, improve health and/or quality outcomes, improve wellness and quality of life, prove that community-based models are cost-effective and build community capacity to ensure sustainability Below are brief descriptions of these programs More details can be found on our web site at childrenshospital org/communityChildren's Community Asthma Initiative (CAI) has helped to improve the health and lives of 800 Boston children with asthma since 2005 The goal is to educate parents and children about how to manage asthma so the child can lead a healthy and active life The CAI model offers case-management to help educate families on medication usage, provide them with asthma control supplies and connect them with community resources, home visits to identify and reduce environmental triggers, training and support for parents and caregivers, and advocacy efforts to ensure families can access needed care, support and education In FY11, CAI was able to show that the program reduced the percentage of patients who have had any asthma-related emergency department visits by 81% and any emergency department visits by 62% In addition, the program was able to show a 41% decrease in the percentage of children who have had any missed school days and 46% decrease in the percentage of parents/caregivers who have had any missed work days \Children's is also increasing access to mental health care through the Children's Hospital Neighborhood Partnerships (CHNP) program In partnership with 15 Boston schools and five community health centers, CHNP provides intervention services such as individual supportive psychotherapy, psychopharmacology, case management and crisis response, social and emotional prevention programs for small groups and whole classrooms, and capacity building through consultation services By increasing access to an array of high quality mental health services, CHNP has shown that the program can effectively decrease wait times for crisis (immediate intervention by the school-based CHNP team versus approximately 90 minutes of wait time for outside clinicians) and routine clinical services (10 days compared with 42 days in outpatient setting), and increased length of treatment among children, as well as the availability of child psychiatry services for children with serious psychiatric disorders in partner health centers Nearly 1,800 students in partner schools were provided with prevention and early intervention services that they would not otherwise have received, as these services are not reimbursed through the mental health services insurance structures CHNP was successful in promoting children's social-emotional developments and the model has been shown to improve social-emotional competencies and coping strategies in children and reduce symptom severity and improve functioning in students participating in prevention activities Additionally, 90 percent of teachers feel that CHNP services contribute to their students' ability to do well in the classroom Through Fitness in the City (FIC), Children's aims to build community capacity to help overweight and obese children to eat more nutritiously and be more physically active as well as to identify best practices for obesity prevention The hospital provides technical and financial assistance to support existing obesity prevention and management programs at 11 Boston community health centers including Martha Eliot Health Center Services include case-management support and access to culturally appropriate nutrition education and physical activities Case managers help patients to meet their goals More than 800 Boston children participate in the program annually FIC has proven effective in helping patients make lifestyle changes to become more active and healthy Children participating report spending less time watching TV on weekends and decreasing their soda/juice intake after 12 weeks in the program The majority of children (57%) participating have been able to decrease their Body Mass Index after one year in the program The Advocating Success for Kids Program (ASK) provides developmental and behavioral screening and case management services to low-income, at-risk children with learning, developmental or behavioral disorders Services are provided through Children's primary care clinic and three community health centers Families often experience challenges in accessing the consultations and evaluations needed to identify the problems which can impact learning In addition to providing screenings and assessments, the ASK team partners with families and provides case-management to help them obtain school-based services and provide them with the information needed to become advocates for their children Last year, 356 children were served by the ASK Program which has been able to ensure that 87% of referred patients completed their scheduled appointments at community health centers For details on the programs mentioned above and other efforts to improve child health in Boston, visit childrenshospital org/community

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

* Community Partnership * Recognizing the link between social issues and health issues, Children's collaborates with community partners to respond to three of the most pressing social determinants of health facing Boston residents education level, income, and violence - Education and schools Children's recognizes that access to a safe and supportive educational environment is vital to a child's academic success and to ensuring future economic mobility and opportunity Children's partners closely with the Boston Public Schools to support and strengthen the system as whole as well as to work directly in school settings to reach students and help families overcome barriers that may prevent their children from functioning well in school Children's supports programs such as Thrive in 5, Smart from the Start and Countdown to Kindergarten In addition, the hospital provides direct services through initiatives such as the Children's Hospital Neighborhood Partnerships Program and the Advocacy Success for Kids Program - Workforce Development Children's recognizes that one of the most significant ways to address poverty in our local neighborhoods is to provide employment and career development opportunities to local Boston residents This approach has the double advantage of ensuring a diverse and culturally competent workforce The hospital addresses workforce development through a network of strong community partnerships, spanning across a continuum of activities Partners include Sociedad Latina, the Fenway Community Development and Jewish Vocational Services - Violence and Violence Prevention Exposure to violence, both directly and indirectly, has a profound impact on the physical and emotional health of those affected - the effects of which can negatively influence other aspects of their lives, including work and school Children's plays a key role in helping Boston children and families cope with the impact of violence in their lives and working with communities to help prevent it, including the Jamaica Plain Violence Intervention and Prevention Collaborative (JPVIP), a partnership with 15 local organizations including the hospital's own Martha Eliot Health Center in Jamaica Plain Additionally, the JPVIP model will be replicated by the Boston Public Health Commission (BPHC), with Children's support, at two additional community health centers Children's is also committed to and directs resources to build capacity within the existing infrastructure of care for Boston children and families This means partnering with and supporting two key community groups - the Boston Public Health Commission and Boston community health centers Boston Public Health Commission (BPHC) Children's has been a longtime partner with the BPHC, working together on pressing health issues and supporting efforts to help children, adolescents and young adults, including - A Children's-initiated, first-of-its-kind study to assess the needs of young children in Boston, the study will include phone interviews, a review of public health data on children's issues and literature review of program best practices - Participation in the BPHC's Tobacco-Free Hospital Initiative and Sugar-sweetened Beverage Learning Network, in addition to the formation of an internal Health Hospital Workgroup to analyze and make recommendations for hospital policies promoting a health environment for patients, families, and staff, - Provision of financial support and expertise to the BPHC to support the City's NeighborCare initiative, an effort encouraging Boston residents to receive primary care at community health centers Community Health Centers Community health centers are key partners in Children's efforts to 1) build community capacity to deliver high quality pediatric care and services, 2) address critical health needs for children, youth and families, 3) improve quality initiatives within community health centers to track areas such as asthma care, immunization rates, obesity and child development, and 4) improve access and coordination of care through advocacy efforts Children's provides financial and programmatic support to 11 Boston community health centers Bowdoin Street, Brookside, Dimock, Joseph Smith, Roxbury Comprehensive, South Cove, South End, Southern Jamaica Plain, Upham's Corner, Whittier Street and the hospital's own Martha Eliot These health centers provide primary care and support, including medical, dental, and mental health services, to an estimated 33,000 Boston children and their families, particularly the uninsured and underinsured Children's support enables these health centers to augment current services or provide new services that are in great demand, yet not always readily available The health centers are able to nearly 1,500 children per year with case management support, nutrition and fitness education, psychiatric and developmental consultation and other services With assistance from Children's, health centers have been able to focus on quality and improvement initiatives as well as develop and share best practices to assess, report and monitor pediatric data Children's affiliated health centers now have three years of data collected to track their progress in asthma care, immunization rates, obesity and child development Child Advocacy Influencing public policy to improve child health is an important aspect of Children's commitment to community health As the leading provider of medical services to low-income children in Boston and Massachusetts as well as a critical safety net for children throughout New England, Children's has been an organized force and an influential advocate for children for more than 20 years Children's is also a forceful advocate on appropriate legislative and regulatory matters in Massachusetts, such as increasing access to quality pediatric mental health programs and promoting coverage for asthma education and services As a founding member (1993) of a statewide Children's Health Access Coalition, the hospital played a key role in two expansions of health care coverage for Massachusetts children during the 1990s Children's also worked as a lead participant in the Affordable Care Today Coalition, the catalyst behind the passage of Massachusetts' 2006 health reform law, which has served as a model for the federal law As a result, Massachusetts has achieved near universal health access for children, with less than 1 percent of children uninsured - the lowest rate in the country In 2006, Children's (including its Children's Hospital Neighborhood Partnerships Program - for details see above) and a coalition of community organizations launched the Children's Mental Health Campaign (CMHC) The CMHC has achieved remarkable success in securing the passage and enactment of Yolanda's Law which ensures access to appropriate and timely treatment, requires insurers pay for the treatment, and pushes the state to play a more active role in ensuring a comprehensive continuum of services in every community Children's also partnered with the Asthma Regional Council of New England to make the business case for its approach to pediatric asthma management (see above for details on the Community Asthma Initiative) This business case was instrumental in convincing state legislators of the benefits of such an approach and led them to provide $3 million in funding for a Medicaid demonstration project to provide case management services to children with asthma In addition, the hospital has established the 2,000 member Children's Advocacy Network, a grassroots advocacy network that leverages the many voices of families, hospital staff, and community partners in support of child health Since 2006, the hospital has trained 275 advocates through an annual in-depth, five-session training series that gives advocates a better understanding of the legislative process and the skills needed for effective advocacy

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Children's Hospital Corporation	04-2774441

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		111,050
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		143,341
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		434,630
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			689,021
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Part IV, Supplemental Information		Children's Hospital is a section 501(c)(3) organization whose mission is fourfold - to provide the best possible pediatric health care, combining compassion with advanced technical capabilities, to be the leading source of research and discovery, seeking new approaches to the prevention, diagnosis, and treatment of childhood diseases, to educate the next generation of leadership in child health care, and to provide education and healthcare services to the community In fulfillment of the above mission, the Hospital advocates on behalf of children and the providers who care for them at the State and Federal levels Professional staff in the Hospital's Office of Government Relations direct these activities and coordinate the work of other Hospital staff who support the advocacy efforts on an intermittent basis The Hospital has also sent correspondence to and met directly with State and local legislators and officials The Hospital has also utilized a grassroots network of employees and friends to advocate on behalf of children's health issues In Fiscal Year 2011, four Office of Government Relations staff members registered with the State as lobbyists, dedicating a portion of their time to lobbying activities In accordance with state lobbying laws, the Hospital also registered its CEO and its President as lobbyists, although their involvement in these efforts was minimal Two Office of Government Relations staff members registered as lobbyists at the Federal level The Hospital utilized the services of three outside consultants in Fiscal Year 2011 in both the Massachusetts General Court and the U S Congress These consultants, on behalf of the Hospital, prepared written materials which are distributed to officials and met with elected and appointed officials The following is a detailed list of lobbying expenses incurred Josh Greenberg Registered Lobbyist Children's Hospital personnel $231,769 Karen Darcy Registered Lobbyist Children's Hospital personnel $25,464 Melissa Shannon (3/2011-9/2011) Registered Lobbyist Children's Hospital personnel $49,313 Maria Fernandes Registered Lobbyist Children's Hospital personnel $12,860 Amy DeLong Registered Lobbyist Children's Hospital personnel $47,884 James Mandell Registered Lobbyist Children's Hospital personnel $3,810 Sandra Fenwick Registered Lobbyist Children's Hospital personnel $4,430 Ann Langley Consultant Health Policy Strategies 728 Battery Place, Alexandria, VA 22314 $21,600 Michael Spivey Consultant Spivey Harris Health Policy Group 1767 P Street Northwest, Washington, D C 20036 $2,500 Joe Grant Consultant Grant Associates 130 Bowdoin Street - Suite 1706, Boston, MA 02108 $35,000 Total Lobbyist/Consultant Expenses = $434,630 Expenses Incurred by the Office of Government Relations for Lobbying Activities = $111,050 Grant to Nat'l Assoc of Children's Hospitals for GME - Related Lobbying Expense = $143,341 TOTAL LOBBYING EXPENSES = $689,021 In addition to Children's Hospital Corporation's direct and listed lobbying expenses, Children's Hospital Corporation pays dues to certain membership organizations, a piece of which may be used by such organizations for lobbying activities on behalf of this institution and other similarly situated organizations Total direct and indirect lobbying expenditures were minimal and not substantial based on revenues

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance	567,567,000	474,444,000	446,887,000		
b	Contributions	192,306,000	63,114,000	22,139,000		
c	Investment earnings or losses	-11,529,000	48,022,000	25,362,000		
d	Grants or scholarships					
e	Other expenditures for facilities and programs	35,448,000	18,013,000	19,944,000		
f	Administrative expenses					
g	End of year balance	712,896,000	567,567,000	474,444,000		

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 100 000 %
- c Term endowment ▶ 0 %

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		399,348		399,348
b Buildings		1,142,118,339	599,208,155	542,910,184
c Leasehold improvements				
d Equipment		535,939,899	405,542,960	130,396,939
e Other		118,405,867	5,083,832	113,322,035
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				787,028,506

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other See Additional Data Table		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	430,807,838	

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

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

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

(a) Description	(b) Book value
(1) Unamortized Bond Issuance Fees	4,051,390
(2) Interest in the Net Assets of Children's Medical Center	1,488,296,447
(3) Due from IRS	7,078,730
(4) Other Assets - Miscellaneous	20,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	1,499,446,567

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Estimated Final Settlement Due to Third Party Payors & Deferred Revenue	36,942,780
Salary & Other Benefits	2,814,511
Funds Held for Others	37,894,885
Reserve for Medical Malpractice	5,457,149
Accrued Pension Cost	46,412,293
Other Liabilities - Miscellaneous	7,013,791
Lease Obligations	9,835,670
Interest Rate Swap Liability	149,484,465
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	295,855,544

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,472,518,744
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,316,184,583
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	156,334,161
4	Net unrealized gains (losses) on investments	4	-77,994,036
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	198,503,749
9	Total adjustments (net) Add lines 4 - 8	9	120,509,713
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	276,843,874

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	1,543,483,873
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-77,994,036		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	201,400,715		
e	Add lines **2a** through **2d**			2e	123,406,679
3	Subtract line **2e** from line **1**			3	1,420,077,194
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	52,441,550		
c	Add lines **4a** and **4b**			4c	52,441,550
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	1,472,518,744

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

1	Total expenses and losses per audited financial statements			1	1,266,639,999
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	1,266,639,999
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	49,544,583		
c	Add lines **4a** and **4b**			4c	49,544,583
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	1,316,184,582

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Part V, line 4 The Children's Hospital's investment and spending policies for endowment assets are intended to provide a predictable stream of funding to support Children's Hospital's missions in pediatric patient care, education, research, and community programs Part V, Line 1b The Contribution line is comprised of Net Assets Reclassifications of $85,640,000 and Contributions of $106,666,000 Part V, Line 1e Other Expenditures includes an adjustment of $(15,295,000) as the result of a prior period Audited Financial Statement adjustment
Description of Uncertain Tax Positions Under FIN 48	Part X	Part X, Line 2 There is no FIN 48 footnote in the organization's audited financial statements
Part XI, Line 8 - Other Adjustments		Net Transfers/Support from Children's Medical Center 201,400,715 Pension Adjustment -8,610,999 Other Adjustments -76,149 Tran of Prof Svc Surplus from Net Assets to Funds Held for Others 5,790,182
Part XII, Line 2d - Other Adjustments		Net Transfer/Support from Parent 201,400,715
Part XII, Line 4b - Other Adjustments		Free Care (Reclass From Net Patient Services Revenue on Audited Fin Stmt) 12,913,480 Expense Netting on Contributions - Reclass 22,401,983 Professional Service Fund Revenue 8,438,939 Pension Adjustment 8,610,999 Miscellaneous Other 76,149
Part XIII, Line 4b - Other Adjustments		Free care (Reclass from Net Patient Services Revenue on Audited Fin Stmt) 12,913,480 Professional Service Fund Expenses 14,229,121 Expense Netting on Net Philanthropy - Contribution Reclass 22,401,983 Rounding -1

Additional Data

Software ID:
Software Version:
EIN: 04-2774441
Name: Children's Hospital Corporation

Form 990, Schedule D, Part VII - Investments— Other Securities

(a) Description of security or cateory (including name of security)	**(b)**Book value	**(c)** Method of valuation Cost or end-of-year market value
Knott Partners	6,701,708	F
Pequot	1,526,198	F
Wellington - Trust	12,043,138	F
Wellington - Energy	5,949,341	F
Brookside Capital	26,081,060	F
Lone Pine Capital	8,678,175	F
Lone Pinon	3,089,096	F
Standard Pacific	15,612,020	F
Highfields Capital	28,762,342	F
Sankaty	12,537,183	F
Davidson Kempner	33,653,510	F
King Street	43,005,256	F
Baupost	37,111,257	F
Fidelity International Stock	20,910,008	F
Fidelity Notes Payable	2,081,079	F
Bain IX Fund	7,889,567	F
Bain X Fund	2,943,077	F
Bain Arc	7,476,994	F
Old Lane	339,091	F
SPUR Ventures	3,733,675	F
Lone Cascade	17,183,368	F
Wellington - Emerging Small Cap	11,871,713	F
Wellington - Real Asset	16,985,920	F
Wellington - Diversified Hedge	5,672,797	F
TT International	8,471,338	F
Walter Scott	16,579,632	F
Axiom	10,910,214	F
Sanford Bernstein	19,641,074	F
MIT Private Equity Fund	17,376,354	F
Energy Capital Partners	2,959,024	F
Tourmalet Advisors	6,069,627	F
SDK Capital	3,244,546	F
Matrix China II	457,801	F
Nalanda	1,650,236	F
Lone Dragon	4,992,398	F
Somerset	6,618,021	F

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

1 **(a)** Description of Liability	**(b)** Amount
Estimated Final Settlement Due to Third Party Payors & Deferred Revenue	36,942,780
Salary & Other Benefits	2,814,511
Funds Held for Others	37,894,885
Reserve for Medical Malpractice	5,457,149
Accrued Pension Cost	46,412,293
Other Liabilities - Miscellaneous	7,013,791
Lease Obligations	9,835,670
Interest Rate Swap Liability	149,484,465

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Central America & the Caribbean	0	0	Program Services	Patient Care, Research & Education	44,736
East Asia & The Pacific	0	0	Program Services	Patient Care, Research & Education	136,548
Europe	0	0	Program Services	Patient Care, Research & Education	377,755
Middle East and North Africa	0	0	Program Services	Patient Care, Research & Education	55,044
North America	0	0	Program Services	Patient Care, Research & Education	125,453
South America	0	0	Program Services	Patient Care, Research & Education	23,552
South Asia	0	0	Program Services	Patient Care, Research & Education	36,895
Sub-Saharan Africa	0	0	Program Services	Patient Care, Research & Education	123,932
Central America & the Caribbean	0	0	Insurance		2,965,524
Russia & the Newly Independent States -	0	0	Program Service	Patient Care, Research & Education	10,699
3a Sub-total	0	0			923,915
b Total from continuation sheets to Part I	0	0			2,976,223
c **Totals** (add lines 3a and 3b)	0	0			3,900,138

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this information (see instructions) required in Part I, line 2, and any additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants Outside the U S		Schedule F, Part I, Line 2 Children's Hospital's employees may travel outside the United States to support its missions in pediatric patient care, education, research, and community services Business travel, on behalf of Children's Hospital, must follow the Hospital's Travel Policy The traveler must complete a Travel Expense Report (TER) form, and provide original itemized receipts as supporting documentation TER form approval is the responsibility of the Manager of the Department/Director/VP in which that activity is budgeted and expensed In addition, the Department Manager/Principal Investigator/Director/VP is responsible for - Ensuring that the travel policy and procedures are clearly communicated to all authorized travelers - Ensuring compliance with all CHB travel policy and procedures, and applicable sponsor guidelines in the case of grant-sponsored activities, including timeliness and proper documentation requirements - Maintaining supporting documentation of travel activity and expenses for proper record keeping and auditing purposes - Assuring that proper authorization signatures are documented on the TER form with the understanding that unauthorized expenses and/or personal expenses will not be reimbursed to the traveler In general, the ordinary and necessary expenses incurred while traveling on hospital business are reimbursable upon presentation and authorization of a completed TER form with original receipts as supporting documentation Reimbursable expenses include transportation, hotel/lodging, meals and other reasonable expenses incidental to travel Personal expenses are not reimbursable

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☑ Mail solicitations
- **b** ☑ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☑ Solicitation of non-government grants
- **f** ☑ Solicitation of government grants
- **g** ☑ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☑ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Advanced Marketing Direct 99 Thielman Drive Buffalo, NY 14206	Direct mail creative & management		No	1,156,278	1,091,224	65,054
BlueGreen Ventures One Broadway Cambridge, MA 02142	Website Support		No	384,281	66,800	317,481
Alexander Chisholm 115 Theodore Parker Road West Roxbury, MA 02132	Manage and produce Gen C Project		No	12,063	59,873	-47,810
Bentz Whaley Flessnner & Assoc 7251 Ohms Lane Minneapolis, MN 55439	Fundraising counsel		No	0	50,007	-50,007
Jaime Jaffee Enterprises 18 Storey Drive Lincoln, MA 01773	Long range planning		No	0	70,000	-70,000
Chartiy Dynamics 3420 Executive Center Drive Austin, TX 78731	Donor Survey		No	0	14,531	-14,531
Total . . . . . ▶				1,552,622	1,352,435	200,187

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

CT, RI, NH, VT, ME, FL, NY, NJ, NV

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 Dinner/Auction (event type)	(b) Event #2 Dinner/Auction (event type)	(c) Other Events 2 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	2,887,243	836,568	418,858	4,142,669
	2 Less Charitable contributions	2,480,940	224,368	312,561	3,017,869
	3 Gross income (line 1 minus line 2)	406,303	612,200	106,297	1,124,800
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages	198,060	28,136	86,540	312,736
	8 Entertainment			9,904	9,904
	9 Other direct expenses	730,040	183,164	105,267	1,018,471
	10 Direct expense summary Add lines 4 through 9 in column (d)				1,341,111
	11 Net income summary Combine lines 3 and 10 in column (d)				-216,311

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue			455,400	455,400
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses			51,272	51,272
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☑ Yes 64 000 % 64 000 % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d)				51,272
	8 Net gaming income summary Combine lines 1 and 7 in column (d)				404,128

9 Enter the state(s) in which the organization operates gaming activities See Additional Data TableMA

a Is the organization licensed to operate gaming activities in each of these states? ☑ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☑ No

b If "Yes," Explain

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☑ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☑ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	**13a**	0 %
b	An outside facility	**13b**	100 000 %

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ David Kirshner CFO Treasurer

Address ▶ Childrens Hospital 300 Longwood Ave
Boston, MA 02115

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☑ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶ Ethridge King

Gaming manager compensation ▶ $ 0

Description of services provided ▶ Mr King, Dir of Devlopmnt Svc at Children's, was not compensated as a gaming manager His job includes overseeing any fundraising gaming operations

☐ Director/officer ☑ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☑ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
Explanation of Fundraising Payments	Schedule G, Part I, Line 2b, Column (v)	Bentz, Whaley, Flessner & Associates provided fundraising counsel for campaigns or programs that have not yet implemented, thus $0 receipts Alexander Chisholm manages school outreach and oversees relationship with Simon & Schuster for the Generation Cures project, thus $0 receipts Jaime Jaffee Enterprises provided fundraising counsel for long range campaigns, thus $0 receipts

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			16,464,434	3,871,834	12,592,600	0 970 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			232,404,780	200,191,934	32,212,846	2 490 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			248,869,214	204,063,768	44,805,446	3 460 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			6,037,370		6,037,370	0 470 %
f Health professions education (from Worksheet 5)			33,963,428	5,981,335	27,982,093	2 170 %
g Subsidized health services (from Worksheet 6)			18,914,109	15,291,515	3,622,594	0 280 %
h Research (from Worksheet 7)			295,664,000	122,729,000	172,935,000	13 380 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			1,665,200		1,665,200	0 130 %
j **Total** Other Benefits			356,244,107	144,001,850	212,242,257	16 430 %
k **Total.** Add lines 7d and 7j			605,113,321	348,065,618	257,047,703	19 890 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	36		1,598,429		1,598,429	0 120 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy	10		532,885		532,885	0 040 %
8 Workforce development						
9 Other						
10 **Total**	46		2,131,314		2,131,314	0 160 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	8,921,399		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	9,063,657		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	9,350,895		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-287,238		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 1 None				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Children's Hospital Boston 300 Longwood Avenue Boston, MA 02115	X	X	X	X		X	X		

Part V **Facility Information** *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **5**

	Name and address	Type of Facility (Describe)
1	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
2	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
3	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
4	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
5	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 3c Children's, based on its participation in the state of Massachusetts Health Safety Net, utilizes Federal Poverty Guidelines for determining eligibility for free care to low income individuals For purposes of discounted care, Children's offers discounts to individuals, regardless of income, who are uninsured and are ineligible for free care or other public programs

Identifier	ReturnReference	Explanation
		Part I, Line 6a Children's files an annual community benefits report with the Attorney General's Office (AG) in Massachusetts There are significant differences between the AG and IRS requirements for reporting community benefits expenditures The IRS counts the following as community benefits while the AG does not Medicaid shortfalls, indirect costs, health professions education, and research funded by tax-exempt and government sources Children's AG Report is publicly available and can be accrssed directly on the AG's web site, www mass gov/AG and Children's web site, www childrenshospital org

Identifier	ReturnReference	Explanation
		Part I, Line 7 Children's used an internal cost accounting system for purposes of reporting certain amounts on Part I, line 7 The system is designed to address all segments of patient care (inpatient, outpatient and emergency) and assigns costs to patients from all payer sources (Medicaid, Medicare, managed care, commercial, uninsured and self-pay) The cost of charity care was determined based on the overall relationship of hospital costs as a percentage of hospital charges, applied to charges that qualified as charity care Children's provides charity care to all children in need who meet the hospital's charity care standards, which are in alignment with all state mandated regulations Nearly 30% of children who receive their care at Children's are insured through Medicaid programs in a number of states including Massachusetts In aggregate, Medicaid programs do not reimburse the hospital for the total costs of providing care to these children Children's has a strong commitment to improving the health status of the children in our local community Based on a tri-annual community needs assessment, Children's supports a variety of programs and partners both internal and external that are addressing the needs of Boston children Children's has also identified four major health focus areas in which it concentrates its efforts For children in Boston, asthma, mental health, obesity and child development are major concerns Children's has community based programs in each of these issue areas The hospital also has an Office of Child Advocacy that provides support to these programs Children's is a leader in education and training for healthcare professionals Children's subsidizes services that are either limited or unavailable in the broader community Examples include psychiatry, primary care, and dental care Children's is home to the world's largest and most active research enterprise at a pediatric center Recognizing that Children's does not have the capacity to meet all the needs of the children of Boston, it supports (through financial contributions and in kind services) a large number of community based organizations who are providing these important services Beneficiaries range from full service community health centers to Head Start programs for pre-school children For more information, visit www childrenshospital org/community

Identifier	ReturnReference	Explanation
		Part I, Line 7g Children's does not subsidize physician services, thus there are none reported in the dollar amount for subsidized health services

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The total bad debt expense of $24,093,782 is included in Form 990, Part IX, line 25 column (A), but subtracted for purposes of calculating the percentage in this column

Identifier	ReturnReference	Explanation
		Part II In FY11, Children's reported two types of community building activities $1,598,429 for 36 community support programs and $532,885 for community health improvement advocacy Children's community building activities are designed specifically to address heath disparities and improve the health of children, families and communities According to public health literature (see Ambulatory Pediatrics and Health Affairs), initiatives that address disparities for children across four different levels the individual, systemic, community and society can lead to meaningful improvements in health As described in Form 990, Part III Program Service Accomplishments, Children's takes a multi-pronged approach to tackle the most pressing health issues facing Boston children At the same time, Children's addresses non-health or social determinants of health issues such as violence, workforce development and education, which also impact a child's health Therefore, Children's directs its community building activities in the following areas - Children's public policy advocacy efforts help to improve access to health care for all individuals and ensure high-quality pediatric services - As a major employer in Massachusetts and civic leader in Boston, Children's supports efforts to ensure a diverse and culturally competent health care workforce as well as promotes economic health in the surrounding communities - To improve life in local neighborhoods, Children's has targeted support towards community based organizations that do not focus specifically on health, but rather on the vibrancy of the community Contributions to groups such as the Fenway Community Development Corporation and Sociedad Latina are as important as partnerships with community health centers For more information, visit www childrenshospital org/community

Identifier	ReturnReference	Explanation
		Part III, Line 4 Children's Audited Financial Statements do not contain a bad debt footnote Bad debt expense reflects patient charges that have been deemed uncollectible, converted to cost based on the ratio of patient care cost to changes from Worksheet 2 There is not any amount of bad debt reflected as charity care, because it can't be quantified accurately at this time However, some bad debts would be charity care The Hospital is currently working on a methodology for determining bad debt expense attributable to patients eligible under the organization's financial assistance policy for fiscal year 2012 Form 990 reporting

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable costs are obtained directly from the Medicare Cost Report and are determined in accordance with Medicare principles of reimbursement Caring for Medicare patients fulfills a community need and relieves a government burden as these patients typically have low and/or fixed incomes Medicare does not provide sufficient reimbursement to cover the cost of providing care for these patients and that shortfall of $287,238 should be counted as community benefit

Identifier	ReturnReference	Explanation
		Part III, Line 9b Children's makes reasonable and diligent efforts to collect each patient's insurance and other information and to verify coverage for health care services Children's applies collection actions to all patients in the same manner, irrespective of their insurance status Children's does not (and does not permit its agents to) engage in collection action of any kind, including billing, with respect to patients/guarantors that are exempt from collection action under Children's Credit and Collection Policy and under Massachusetts regulations governing the Health Safety Net program All patients/guarantors who are not exempt from collection action are advised in all billing-related communications of the availability of free care and financial assistance, including assistance in applying for public programs and the availability of charity care Children's does not (and does not permit its agents to) engage in legal action against patients/guarantors, including liens, wage garnishments, or lawsuits, or report patients/guarantors to credit bureaus or credit agencies without specific, case-by-case authorization by Children's Board of Trustees No legal action occurred during the year Children's Credit and Collection Policy is filed with the Massachusetts Division of Health Care Finance and Policy That policy and related policies on Self-Pay Discounting and Charity Care and Self-Pay Collection Practices are also available to patients upon request

Identifier	ReturnReference	Explanation
		Part VI, Line 2 Children's is committed to assessing the health needs of children and families living in the communities surrounding the hospital's main campus Children's utilizes formal and informal mechanisms to listen and learn from residents as well as hospital staff, key stakeholders, community leaders and advocates The hospital conducts a formal, comprehensive assessment every three years Children's most recent formal assessment was completed in FY09 and the next will be completed in 2013, which will include a partnership with the Boston Public Health Commission to conduct a first-of-its-kind health study to gather data on Boston children and families Informally, the hospital gathers information, encourages community participation and seeks input from families and partners on a regular basis Based on the information gathered, the hospital develops a community benefit action plan for how it can best address those needs and effectively utilize its expertise and resources A key component of the hospital's assessment is the input and guidance from the hospital's Community Advisory Board and Board Committee on Community Service Children's also conducts ongoing yet less formal means of assessment to inform the hospital's community efforts For more information, visit www childrenshospital org/community

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Children's provides patients with information about financial assistance programs that are available through the Commonwealth of Massachusetts or through the hospital's own financial assistance program All patients/guarantors who do not qualify for free care and thus are not exempt from collection action are advised in all billing-related communications of the availability of free care and financial assistance, including assistance in applying for public programs and the availability of charity care For those patients that request financial assistance, Children's assists patients by screening them for eligibility in an available public program and assisting them in applying for the program All patients/guarantors who are not exempt from collection action are advised in all billing-related communications of the availability of free care and financial assistance, including assistance in applying for public programs and the availability of charity care The screening and application process for a financial assistance programs is done through either the Virtual Gateway (which is an internet portal designed by the Massachusetts Executive Office of Health and Human Services to provide an online application for the programs offered by the state) or through a standard paper application All Virtual Gateway and paper applications are reviewed and processed by the Massachusetts Office of Medicaid Hospitals have no role in the determination of program eligibility made by the state, but at the patient's request may take a direct role in appealing or seeking information related to the coverage decisions

Identifier	ReturnReference	Explanation
		Part VI, Line 4 As one of the largest most comprehensive pediatric medical centers in the U S , Children's is a regional, national and global referral center Approximately 20% of inpatients come from out of state or out of the country because of the complex care Children's is able to provide Children's is also considered the primary community hospital for the children of Boston and the largest provider of pediatric care to low-income families in the state Approximately 30% of Children's patients are covered through Medicaid/CHIP including a significant number insured by out-of-state Medicaid programs State-wide, it is estimated that Children's treats 90% of the sickest children in Massachusetts Children's main campus is located in Boston, a racially and ethnically diverse city, which is home to nearly 620,000 people A wide range of ethnic backgrounds and countries of origin can now be found in Boston's population and people of color make up the majority of the City's population Approximately 115,000 children under the age of 18 live in Boston representing 20 percent of the population Children mirror Boston's emergence of "majority minority" diversity, 37 % of Boston's children are Black, 24% are Hispanic, 7% are Asian/Pacific Islander, 4% are multi-racial and 3% are other An estimated 26% of Boston's children live in poverty

Identifier	ReturnReference	Explanation
		Part VI, Line 6 As the only free-standing children's hospital in the state, Children's treats 90% of the sickest kids in Massachusetts and offers a range of services that are unavailable elsewhere in the region, including pediatric transplants, critical care transport services, a level 1 Pediatric Trauma Unit and a level 3 Neonatal Intensive Care Unit Children's also qualifies for DSH payments as the state's largest provider of pediatric care to low-income families Approximately 30% of its patients are covered by Medicaid, including patients insured by out-of-state Medicaid programs In addition, Children's has an open medical staff model Children's is also a leader in education and training for healthcare professionals It sponsors 38 Accreditation Council for Graduate Medical Education-accredited training programs, one American Dental Association accredited training program and 15 non-accredited subspecialty fellowships with 476 residents/clinical fellows enrolled in these programs Children's partners with 27 schools of nursing throughout Massachusetts and New England to provide clinical experiences in pediatrics Children's offers a variety of continuing education courses designed for health care professionals in pediatric practice The courses are accredited by the Office of Continuing Education at Harvard Medical School and each hour of instruction is approved for Category 1 credits towards the AMA Physician's Recognition Award Topics include autism, eating disorders, sports injuries, endometriosis, substance abuse, concussions, strabismus, Type II Diabetes and vascular anomalies Children's also offers half-day programs titled Pediatric Health Care Summits that are held at local hospitals, such as Beverly Hospital, Lawrence General and South Shore Hospital (Weymouth) Additionally, Children's partners with area community hospitals such as Good Samaritan Medical Center, Holy Family, Lawrence General, South Shore, St Anne's and St Joseph's to sponsor Community Hospital Pediatrics Grand Rounds with monthly lectures provided by faculty in medical and surgical sub-specialties Children's also operates "Career Opportunity Advancement Children's Hospital", a seven-week program for Boston youth to explore health care careers while having a safe and meaningful summer and the program "Student Career Opportunity Outreach Program", designed by Children's nurses to introduce young people to nursing career opportunities Children's is home to the world's largest and most active research enterprise at a pediatric center Children's research mission encompasses basic research, clinical research, community service programs and the postdoctoral training of new scientists Children's has a twenty person voluntary Board of Trustees Twelve of the Board members are not direct employees of the hospital and all of them live in the hospital's service area The Board oversees the hospital's endowment and follows a 5% spending rule in keeping with the industry standard of the responsible management of assets Reserves are invested back into patient care, teaching, research, patient safety and quality initiatives, equipment, facilities, community benefits and to subsidize vital services that run a deficit

Identifier	ReturnReference	Explanation
		Part VI, Line 7 Although Children's does not have true affiliates as defined by the IRS, it does have other affiliations As the largest pediatric referral center in the region, Children's maintains a variety of relationships with community hospitals and other smaller pediatric programs throughout New England These relationships include seven community hospitals in eastern Massachusetts where Children's physicians have formal arrangements to provide on-site emergency medicine, inpatient, neonatal and/or outpatient pediatric specialty services Children's also owns and operates four outpatient facilities in Waltham, Lexington, Peabody, and Jamaica Plain that offer access to pediatric specialty care in a wide array of subspecialties Children's provides assistance to other pediatric facilities (Hasbro, RI, Dartmouth Hitchcock, NH, and Boston Medical Center) in the region through training, recruitment, consultations, on-site care and referrals for care that is not otherwise available In addition, the Pediatric Physicians' Organization at Children's brings together pediatricians, pediatric medical groups and pediatric specialists at Children's

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	MA

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 38

3 Enter total number of other organizations . . . ▶

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

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

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Children's Hospital provides three types of grants and assistance (1) Sponsorships, (2) Scholarships, and (3) Assistance Programs SPONSORSHIPS Children's supports external strategic partners that enhance Children's role and reputation as (1) a good neighbor, (2) community health partner, (3) civic leader, (4) and an employer of choice The criteria for Children's funding decisions to the requesting organization are based on the following 1 a non-profit that promotes careers in healthcare or health services and that Children's has collaborated, or is collaborating, with 2 a non-profit located in and serving Children's target neighborhoods (Fenway, Mission Hill, Jamaica Plain, Roxbury) that address social determinants of health and that Children's has collaborated, or is collaborating, with 3 one of Children's Hospital's affiliated community health centers 4 a citywide non-profit that is a strategic partner in one or more of the Children's primary community health focus areas (asthma, mental health, nutrition/fitness, violence prevention) and that Children's has collaborated, or is collaborating, with 5 a citywide non-profit that is a strategic partner in one or more of Children's secondary community health focus areas (early intervention, early childhood/elementary education,) that Children's has collaborated, or is collaborating, with 6 a business , civic, or advocacy strategic partner that senior management is actively engaged in 7 meets the IRS and the Massachusetts Attorney General's community support or community benefit criteria 8 meets the City of Boston eligibility as a "payment in lieu of taxes' investment Records and copies of sponsorship requests and the resulting grants are kept in paper form in the Office of Child Advocacy All sponsorships requests are commonly for general operating support All sponsorship is sent a letter that reiterates the stated use of the grant or assistance and with any Community Partnership Grants, representatives of Children's make site visits to many of the grantees and request end-of-year reports SCHOLARSHIPS Children's Hospital offers several scholarship programs to support the educational goals of its employees and/or their immediate families The Sibylla Orth Young Scholarship is available to employees and their immediate families who have worked at least six months and meet income and grade point average guidelines as well as demonstration of sincere commitment to the healthcare profession Priority will be given to those pursuing careers in healthcare positions experiencing labor shortages (e g , radiographer, pharmacy technician, clinical lab technician, nursing) Sibylla Orth Young Scholarship applications are reviewed and maintained by the Office of Learning and Development selection committee The Nursing Education Scholarship is available to deserving nurses to further his or her education in patient care and the Joshua T Shairs Cardiology Fund is a scholarship for nurses in the field of cardiology All nursing scholarship applicants must have worked at least three months, be enrolled in an academic program leading to a degree, demonstrate a commitment to the patient care and be in good standing, both professionally and academically Scholarships applications for the Nursing Education Scholarships and Joshua T Shairs Cardiology Funds are reviewed and maintained by the Department of Nursing/Patient Services selection committee All scholarship recipients are required to sign a Terms of Acceptance agreement affirming the funds will only be used for tuition, fees and/or class materials required for course instructions ASSISTANCE PROGRAMS Children's Hospital offers several financial assistance programs to provide funding to patients and their families burdened by the costs associated with long-term hospitalization, acute/chronic illness, disability or impairment We recognize the significant burdens related to financial and support services that patients and families face when experiencing frequent ambulatory services or prolonged inpatient admissions at Children's Hospital Boston These funds are primarily intended for use in emergent situations, and as a stop-gap intervention only They are not intended to provide permanent or long term solutions to financial need Essentially, these are funds of "last resort" when alternative options do not exist Below is a listing of our various Assistance Program Funds Car Seat Program - assist families with their car seat needs, education and installations Frieze Social Work Fund - provide broad financial assistance to needy children and families during their illness or hospitalization at Children's Hospital Hellenic Cardiac Fund For Children - provide financial assistance pertaining to the treatment and care of cardiac patients of Greek descendent and their parents (expenses may include room and board etc) Hall Social Work Fund - provide meals to needy patients and their families Camp Fund - support social service's summer camp program for patients Social Work Discretionary Fund - support of the social service department's activities Andre Sobel River Of Life Foundation Fund - to support functionally single parents & provide broad support to needy children and their families during their illness/hospitalization at Children's Hospital by relieving financial burdens Kent Street Operating Fund - support patient family housing at Kent Street Devon Nicole House Operating Fund - support patient family housing at Devon Nicole House Walsh CF Social Work Fund - provide for the unmet financial needs of Cystic Fibrosis patients and their families Pet Therapy Program Fund - provide pet therapy for patients Brandano Parent Apartment Fund - to provide housing for needy parents of children receiving treatment at Children's Hospital Matthew Puffer Parking Fund - provide discounted parking for patient families whose children are being treated for chronic diseases Green Orthopaedic Equipment Fund - provide orthopaedic equipment for needy children Sandra & Geoffrey Fenwick Family Income Fund - support for the Center for Families especially needy patients Patient Care Support Services Income Fund - patient care support services for needy patients and their families A Shuman Clothing Fund - provide financial support for the purchase of clothing for patients Extraordinary Needs Fund - cover immediate desperate needs of parents to include access to alternative therapeutic interventions Judith Nelson Operating Fund For Families - provide support for The CHB Center For Families Mannheim Family Endowment Operating Fund - to support housing at Kent Street All financial assistance requests are assessed by a social worker If there appears to be significant financial hardship, the social worker does a financial assessment based on the policies and guidelines for the use of these special funds Typical requests include assistance with transportation, utilities (a child cannot be discharged without adequate heat, electricity, telephone contact in the home), etc Each request is reviewed by the Director of the Fund Checks are not payable to the family, rather a payment may be made directly to the company involved via an invoice from that company, e g , National Grid Assessment considerations for Special Fund requests are based on * Duration of Need * Demographic * Family Status * Income Factors * Clinical Factors * Alternate Resources Available * Funding Limits

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 04-2774441
Name: Children's Hospital Corporation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Action for Boston Community Development Inc178 Tremont Street Boston, MA 02111	04-2304133	501(c)(3)	6,000		FMV		Community Partnership
America Scores New England 150 Mt Vernon Street Suite 2 Dorchester, MA 02125	04-3482756	501(c)(3)	5,000		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Health Resources In Action 622 Washington Street Dorchester, MA 02124	04-2229839	501(c)(3)	60,970		fMV		Community Partnership
Boston Community Centers Inc1483 Tremont St Boston, MA 02120	04-2602576	501(c)(3)	25,000		FMV		Community Partnership - Boston Center for Youth & Families

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Boston Public Health Commission1010 Massachusetts Ave Boston, MA 02118	04-3316655	115	100,500		FMV		Community Partnership
Boston Public Schools26 Court St 6th Fl Boston, MA 02108	22-2514422	115	238,700		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Bowdoin Street Health Center Inc230 Bowdoin Street Boston, MA 02122	04-2529788	501(c)(3)	175,000		FMV		Support of Community Health Center
Brigham & Women's Hospital Inc75 Francis Street Boston, MA 02115	04-2312909	501(c)(3)	70,000		FMV		Support of Brookside Community Health Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Boston Educational Development Foundation Inc 26 Court St 6th Fl Boston, MA 02108	22-2514422	501(c)(3)	52,000		FMV		Support of City of Boston's Initiatives - Countdwon to Kindergarten
Community Catalyst Inc30 Winter Street Suite 1004 Boston, MA 02108	04-3355127	501(c)(3)	50,000		fMV		Advocacy Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Fenway Community Development Corporation73 Hemenway Street Boston, MA 02115	04-2666507	501(c)(3)	28,450		FMV		Community Partnership
Project RIGHT320 A Blue Hill Avenue Dorchester, MA 02121	04-3265420	501(c)(3)	33,500		FMV		Advocacy Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
PRESIDENT AND FELLOWS OF HARVARD COLLEGE 124 Mount Auburn Street Cambridge, MA 02138	04-2103580	501(c)(3)	6,466,587		FMV		Harvard Medical School Professorships
Joseph M Smith Community Health Center Inc287 Western Avenue Allston, MA 02134	23-7221597	501(c)(3)	70,000		FMV		Support for the Community Health Canter

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Community Service Care Inc 295 Center Street Jamaica Plain, MA 02130	04-2754281	501(c)(3)	23,450		FMV		Community Partnership - JP Coalition
Massachusetts Public Health Association434 Jamaica Way Jamaica Plain, MA 02130	04-2326503	501(c)(3)	5,000		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Massachusetts Society for the Prevention of Cruelty to Children99 Summer Street Boston, MA 02110	04-2103596	501(c)(3)	25,000		FMV		Advocacy Support
Mattapan Community Health Center1425 Blue Hill Ave Mattapan, MA 02426	04-2544151	501(c)(3)	41,000		FMV		Support of the Community Health Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Roxbury Comprehensive Community Health Center Inc35 Warren Street Roxbury, MA 02119	04-2501921	501(c)(3)	80,000		FMV		Support of the Community Health Center
YMCA of Greater Boston inc 316 Huntington Avenue Boston, MA 02115	04-2103551	501(c)(3)	23,450		FMV		Community Partnership - Roxbury YMCA

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Family Nurturing Center of Massachusetts Inc200 Bowdoin Street Dorchester, MA 02122	31-1626186	501(c)(3)	68,500		FMV		Support of City of Boston's Initiatives - Smart from the Start
Sociedad Latina Inc1530 Tremont Street Roxbury, MA 02120	04-2678255	501(c)(3)	23,450		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
South Cove Community Health Center Inc145 South Street Boston, MA 02111	04-2501818	501(c)(3)	88,000		FMV		Support of the Community Health Center
South End Community Health Center Inc1601 Washington Street Boston, MA 02118	04-2456134	501(c)(3)	77,500		FMV		Support of the Community Health Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Brigham & Women's Hospital Inc75 Francis Street Boston, MA 02115	04-2312909	501(c)(3)	80,000		FMV		Support of Southern Jamaica Plain Community Health Center
Dimock Community Health Center Inc55 Dimock Street Roxbury, MA 02119	04-3487835	501(c)(3)	90,000		FMV		Support of the Community Health Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
United Way of Massachusetts Bay Inc51 Sleeper Street Boston, MA 02120	04-2382233	501(c)(3)	207,000		FMV		Support of City of Boston's Initiatives - Thrive in Five
Upham's Corner Community Center Inc500 Columbia Road Dorchester, MA 02125	04-2708670	501(c)(3)	70,000		FMV		Support of the Community Health Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Whittier Street Health Center Committee Inc1125 Tremont Street Roxbury, MA 02120	04-2619517	501(c)(3)	75,000		FMV		Support of the Community Health Center
Family Services Association of Greater Boston31 Heath Street Jamaica Plain, MA 02130	04-2160528	501(c)(3)	1,000		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Health Law Advocates30 Winter Street Suite 1004 Boston, MA 02108	04-3298116	501(c)(3)	25,000		FMV		Advocacy Support
Associated Early Care and Education Inc95 Berkeley Street Suite 306 Boston, MA 02116	04-2105893	501(c)(3)	13,400		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Jewish Vocational Services 29 Winter Street Boston, MA 02108	04-2104357	501(c)(3)	5,000		FMV		Community Partnership
Massachusetts League of Community Health Centers 40 Court Street 10th Floor Boston, MA 02108	04-2507409	501(c)(3)	5,000		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Massachusetts Taxpayers Foundation Inc333 Washington Street Suite 853 Boston, MA 02108	04-1590310	501(c)(3)	7,500		FMV		Community Partnership
Massachusetts Law Reform Institute99 Chauncy Street 500 Boston, MA 02111	04-6004303	501(c)(3)	5,000		FMV		Advocacy Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Mission Hill Neighborhood Housing ServiceOne Brigham Circle 1620 Tremont Street Boston, MA 02120	23-7428011	501(c)(3)	1,000		FMV		Community Partnership
Mission Hill Youth Collaborative1481 Tremont Street Boston, MA 02120	04-3103865	501(c)(3)	5,000		FMV		Community Partnership

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Parent Professional Advocacy League45 Bromfield Street Boston, MA 02108	04-3573317	501(c)(3)	5,000		FMV		Advocacy Support
Massachusetts General Hospital205 Portland Street 6th Floor Boston, MA 02114	04-1564655	501(c)(3)	5,000		FMV		Community Partnership

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
Sibylla Orth Young Fund for Student Aid	18	35,000		FMV	
Nursing Education Scholarship Fund	20	82,008		FMV	
Joshua T Shairs Cardiology Fund	2	2,000		FMV	
Car Seat Program	401		16,986	FMV	Car seats
Frieze Social Work Fund	4026	273,144		FMV	
Hellenic Cardiac Fund for Children	15		270,926	FMV	Medical and housing assistance
Hall Social Work Fund	804	57,269		FMV	
Camp Fund	126	45,856		FMV	
Social Work Discretionary Fund	590	41,986		FMV	
Andre Sobel River of Life Foundation Fund	18	27,412		FMV	
Kent Street Operating Fund	4029		282,084	FMV	Housing Assistance
Devon Nicole House Operating Fund	2172		123,643	FMV	Housing Assistance
Walsh CF Social Work Fund	110	8,134		FMV	
Pet Therapy Program Fund	827			Other	Theurapeutic dog visits made to inpatients
Brandano Parent Apartment Fund	2925		32,568	FMV	Supplies for patient and families
Matthew Puffer Parking Fund	18	2,241		FMV	
Green Orthopaedic Equipment Fund	22	14,115		FMV	
Sandra & Geoffrey Fenwick Family Income Fund	237		11,401	FMV	Memorial services and grief conference, room fees & food
Patient Care Support Services Income Fund	10	8,381		FMV	
A Shuman Clothing Fund	50		577	FMV	Clothing

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a) Type of grant or assistance	**(b)**Number of recipients	**(c)**Amount of cash grant	**(d)**Amount of non-cash assistance	**(e)**Method of valuation (book, FMV, appraisal, other)	**(f)**Description of non-cash assistance
Extraordinary Needs Fund	1382	225,936		FMV	
Judith Nelson Operating Fund For Families	30	9,527		FMV	
Mannheim Family Endowment Operating Fund	6201		1,464	fMV	Housing Supplies

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Children's Hospital made contributions to the supplemental non-qualified retirement plan for the individuals listed below Contribution amounts are generally based on a percentage of compensation Participants of the supplemental executive retirement plan are fully vested All payments with respect to a participant's separation from service will be made in a single sum following the separation from service unless participant has elected to receive the accrued interest portion of his or her account in three annual installments Contributions were for employee benefits and not for Children's Hospital Trustee or Officer of the Board services and/or responsibilities James Mandell, received in 2010, a contribution of $356,214 Sandra Fenwick, received in 2010, a contribution of $192,045 David Kirshner, received in 2010, a contribution of $54,026 Stuart Novick, received in 2010, a contribution of $102,720 Eileen Sporing, received in 2010, a contribution of $40,717 Demosthenes Argys, received in 2010, a contribution of $35,448 Carleen Brunelli, received in 2010, a contribution of $22,769 Janet Cady, received in 2010, a contribution of $34,744 M Laurie Cammisa, received in 2010, a contribution of $19,800 Daniel Nigrin, received in 2010, a contribution of $38,123 Philip Rotner, received in 2010, a contribution of $28,380 Inez Stewart, received in 2010, a contribution of $26,536 Henry Tomasuolo, received in 2010, a contribution of $22,528 Charles Weinstein, received in 2010, a contribution of $27,516
Supplemental Information	Part III	Part II Compensation is for executive/employee services, Part II, Column B(ii) (Bonus & Incentive Compensation) For many years it was common practice for Children's to pay the incentive awards earned during the fiscal year in January of the following year In December 2010, Children's made the decision to pay incentive awards in the same calendar year that they are awarded The bonus and incentive compensation reported in Part II, column B (ii), of this Schedule J (Form 990) may include incentive awards for fiscal year 2009 and fiscal year 2010 paid in the reporting calendar year 2010 Part II, Column F (Compensation Reported in Prior Form 990) The compensation reported in Part II, column B, of this Schedule J (Form 990) is for the calendar year 2010 and a portion of it may have already been reported on a prior year Form 990 as deferred compensation Compensation amounts in Column F reflects the compensation already reported in a prior return and needs to be taken into consideration to correct the overstatement of the cumulative compensation reported as paid to the individuals listed

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 04-2774441
Name: Children's Hospital Corporation

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Eileen Spring MSNRN	(I)	389,115	146,918	60,667	49,550	21,409	667,659	73,689
	(II)	0	0	0	0	0	0	0
James Mandell MD	(I)	746,747	725,000	389,937	96,650	33,118	1,991,452	306,250
	(II)	0	0	0	0	0	0	0
Sandra Fenwick	(I)	539,914	532,000	222,929	76,325	33,082	1,404,250	224,000
	(II)	0	0	0	0	0	0	0
David Kirshner	(I)	462,162	181,116	72,733	46,950	25,741	788,702	89,137
	(II)	0	0	0	0	0	0	0
Bruce Balter	(I)	188,484	14,350	42,773	29,400	18,607	293,614	0
	(II)	0	0	0	0	0	0	0
Stuart Novick Esq	(I)	394,294	152,782	121,230	50,900	24,369	743,575	75,087
	(II)	0	0	0	0	0	0	0
Demosthenes Argys	(I)	385,996	122,667	63,718	40,175	25,386	637,942	47,750
	(II)	0	0	0	0	0	0	0
Carleen Brunelli PhD	(I)	260,163	77,238	44,497	34,288	20,580	436,766	37,929
	(II)	0	0	0	0	0	0	0
Janet Cady	(I)	341,734	213,965	53,574	62,050	20,308	691,631	91,474
	(II)	0	0	0	0	0	0	0
M Laurie Cammisa	(I)	257,414	84,313	37,377	36,725	10,336	426,165	38,535
	(II)	0	0	0	0	0	0	0
Daniel Nigrin MD	(I)	353,060	165,189	57,808	44,000	20,937	640,994	73,892
	(II)	0	0	0	0	0	0	0
Philip Rotner	(I)	358,692	215,500	50,410	35,063	18,002	677,667	0
	(II)	0	0	0	0	0	0	0
Inez Stewart	(I)	304,999	80,200	46,207	36,175	23,355	490,936	40,650
	(II)	0	0	0	0	0	0	0
Henry Tomasuolo	(I)	271,498	91,525	42,556	32,800	24,538	462,917	42,644
	(II)	0	0	0	0	0	0	0
Charles Weinstein	(I)	312,499	90,631	53,234	40,300	30,049	526,713	44,873
	(II)	0	0	0	0	0	0	0
Orah Platt MD	(I)	415,815	16,100	7,470	26,950	8,178	474,513	0
	(II)	0	0	0	0	0	0	0
Scott Ogawa	(I)	257,738	26,870	56,505	24,500	8,310	373,923	0
	(II)	0	0	0	0	0	0	0
Patricia Hickey PhD MBA	(I)	258,460	18,999	58,019	29,400	8,239	373,117	0
	(II)	0	0	0	0	0	0	0
David Demaso MD	(I)	329,928	0	7,379	26,950	8,315	372,572	0
	(II)	0	0	0	0	0	0	0
Nader Rifai PhD	(I)	406,317	104,700	2,586	26,950	18,933	559,486	0
	(II)	0	0	0	0	0	0	0
Clifford Woolf MB BChPhD	(I)	369,747	100,350	-7,754	0	17,160	479,503	0
	(II)	0	0	0	0	0	0	0
Carlo Brugnara MD	(I)	406,317	19,700	-4,895	26,950	18,608	466,680	0
	(II)	0	0	0	0	0	0	0
Melvin Glimcher MD	(I)	395,429	350	9,451	26,950	2,742	434,922	0
	(II)	0	0	0	0	0	0	0
Sitaram Emani MD	(I)	328,900	350	29,931	19,160	18,866	397,207	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MHEFA Revenue Bonds Series M	04-2456011	57586EMT5	11-19-2009	124,329,713	Purchase of med off bldg, reno & leasehold impr		X		X		X
B	MHEFA Revenue Bonds Series N	04-2456011	57586EUJ8	05-13-2010	341,590,000	Refunded Series G, H, I, J & K		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	339,325,000	339,325,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	124,329,713	341,590,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	339,564,138	339,564,138		
7	Issuance costs from proceeds	1,829,713	2,025,862		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	122,500,000			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2011			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?		X	X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X					
b	Name of provider	Goldman Sachs Mitsui Marine		Goldman Sachs Mitsui Marine					
c	Term of hedge	30 000000000000		30 000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?	X		X					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule K, Part IV, Line	Form 8038-T	No 8038-T Filed because five years has not passed

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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	(c) Corrected? No

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) Waters Corporation	Trustee	336,667	Equipment Children's Hospital Corporation received, at fair market value, equipment & supplies from Waters Corporation, where Douglas Berthiaume, a member of the hospital's Board of Trustees, is the Chief Executive Officer All transactions above were at fair market value and negotiated at arms length in the ordinary course of business Waters Corporation manufactures high end scientific equipment and supplies During the year the hospital paid Waters Corporation $336,667 for equipment & supplies		No
(2) CRICO	Director	11,524,767	InsuranceThe Risk Management Foundation of the Harvard Medical Institutions, Inc (CRICO/RMF) is the patient safety and medical malpractice company serving the Harvard medical community Insurance coverage is provided to its member institutions and their affiliates by Controlled Risk Insurance Company, Ltd (CRICO/Cayman) and Controlled Risk Insurance Company of Vermont, Inc (A Risk Retention Group) (CRICO/Vermont) Both CRICO/RMF and CRICO/Cayman are owned by their member Institutions CRICO/Vermont is wholly owned by CRICO/RMF All CRICO/RMF and CRICO/Cayman shareholders are entities exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended Members of CRICO/RMF and CRICO/Cayman are entitled to representation on the boards of these entities Alan Bufferd, Trustee of Children's Hospital Corporation, sits on the Boards of CRICO/RMF, CRICO/Cayman and CRICO/Vermont See next item for continuation		No
(3) CRICO	Director	11,524,767	InsuranceJames Mandell, MD, Chief Executive Officer of Children's Hospital Corporation, sits on the Board of CRICO/RMF and CRICO/Cayman Children's Hospital pays these entities for insurance for Children's Hospital and its affiliates for the period covered by this filing Children's Hospital paid a total of $11,524,767 to CRICO and RMF for professional, general, and directors and officers insurance coverage		No
(4) FedEx	Director	410,935	ShippingChildren's Hospital Corporation received, at fair market value, shipping services from FedEx, where Gary Loveman, a member ofthe hospital's Board of Trustees, is on the Board of Directors Alltransactions above were at fair market value and negotiated at armslength in the ordinary course of business During the year the hospitalpaid FedEx $410,935 for shipping services		No
(5) Blue Cross Blue Shield of Massachusetts	Director	66,895,269	InsuranceChildren's Hospital Corporation received, at fair market value, employee health insurance claim administration services from Blue Cross Blue Shield of Massachusetts, where Ralph Martin, a member of the hospital's Board of Trustees, is on the Board of Directors All transactions above were at fair market value and negotiated at arms length in the ordinary course of business During the year the hospital paid Blue Cross Blue Shield of Massachusetts $66,895,269 for actual claims processed by Blue Cross Blue Shield of Massachusetts on behalf of the organization's employees and health claim administration fees		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		8,616	Mkt Value per Donor
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	49	4,783,449	Mean Value on Gift Date
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	X	28	11,813	Mkt Value per Donor
19 Food inventory	X	3	3,298	Mkt Value per Donor
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Travel/Dining)	X	77	312,949	Mkt Value per Donor
26 Other ▶ (Gift Cert)	X	26	18,075	Mkt Value per Donor
27 Other ▶ (Sport/Event Tickets)	X	30	187,333	Mkt Value per Donor
28 Other ▶ (Misc Other)	X	13	37,445	Mkt Value per Donor

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 | 0

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b If "Yes," describe the arrangement in Part II			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a	Yes	
b If "Yes," describe in Part II			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Method for Determining Number of Contributors	Part I, Column (b)	For publicly traded securities, the Hospital records any shares gifted from a single donor on the same date as a single contribution transactions (e g one gift receipt issued for multiple stock lots) For all other categories, the Hospital records any items gifted from a single donor on the same date as a single contribution transaction (e g one gift receipt issued for multiple stock lots)
Third Party Use	Part I, Line 32b	The Hospital uses an event management firm to assist in processing non-cash donations received for an event auction
Non Reporting of Revenue	Part I, Line 33	In addition to these contributions, the Hospital may receive items such as books, stuffed animals and video games that are donated to the units - these items are de minimus and values are not available so they are not reported in revenues

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Children's Medical Center Corporation is the sole Member of the Children's Hospital Corporation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Children's Medical Center Corporation is the sole Member of the Children's Hospital Corporation The Children's Medical Center Corporation elects the governing body of Children's Hospital Corporation because the Board of Trustees of Children's Hospital Corporation must consist of the persons who serve from time to time as the trustees of The Children's Medical Center Corporation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Children's Medical Center Corporation is the sole Member of the Children's Hospital Corporation ("the Hospital") As stated in the Hospital's By Laws, Children's Medical Center Corporation has the powers and rights - to approve proposed operating and capital budgets of the Hospital, - to approve the sale of all or substantially all of the Hospital's assets, - to approve the establishment of all long-range plans, goals and objectives of the Hospital, - to approve any incurrence of long-term indebtedness by the Hospital, - to set executive compensation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Form 990 tax return was prepared by the organization's staff and reviewed by management (including the President, Chief Executive Officer, Legal and other relevant departments of the organization), along with the outside accounting firm of Ernst & Young The Form 990 tax return was then presented to the Children's Medical Center and affiliates' Audit & Compliance Committee Also, a copy was made available to the Board before filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The Hospital's conflict of interest policy applies to all trustees, Trust Board members, members of the medical staff and employees of the Hospital Trustees, chiefs of service and division chiefs, senior managers and others who exercise influence over important strategic, business and purchasing decisions of the Hospital are required to complete an annual conflict of interest disclosure questionnaire about their financial interests and outside activities If an expected questionnaire is not returned, the Compliance Officer notifies the individual's supervisor or the CEO or COO, and repeated requests for the completed questionnaire are made until the questionnaire is completed Responses are reviewed by the compliance officer and any potential conflicts are discussed with the Office of General Counsel and/or the individual's supervisor, any actual or potential conflicts are managed by termination of the conflict, management of the conflict, recusal, disclosure, review, or a combination thereof Outside interests and outside activities may be permitted as long as the Hospital, Medical Center or Trust determines that such interests and activities are consistent with the best interests of the Hospital, Medical Center or Trust and the Hospital, Medical Center or Trust Board member, medical staff member or employee involved does the following 1 discloses the fact that he has a financial interest or a consultative role in or with a person or company with which the Hospital, Medical Center or Trust is doing or is thinking of doing business, and 2 refrains from voting or exercising any personal influence whatsoever in the selection of a person or company to do business with the Hospital, Medical Center or Trust with whom or in which he has a financial interest or a consultative role, and 3 avoids any active participation in any dealings between the Hospital, Medical Center or Trust and the person or company with whom or in which he has a financial interest or consultative role, and 4 does not permit such outside interests or activities to absorb such amounts of his time and effort as to make it impractical for him to fulfill his assigned responsibilities at the Hospital, Medical Center or Trust, and 5 does not permit such outside interests or activities to compromise or appear to compromise the name or reputation of the Hospital, Medical Center or Trust

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The Hospital has a board level compensation committee that annually reviews and approves the compensation for the following individuals Chief Executive Officer President & Chief Operating Officer Senior Vice President & Chief Financial Officer Senior Vice President & General Counsel Senior Vice President, Patient Care Operations Senior Vice President & Chief Administrative Officer Vice President, Research Administration President, Children's Hospital Trust Vice President, Child Advocacy Vice President, Public Affairs & Marketing Chief Administrative Officer, Children's Waltham Vice President, Ambulatory Care & Network Services Senior Vice President & Chief Information Officer Vice President, Human Resources Vice President, Support Services Vice President, Real Estate Planning & Development Chief Investment Officer The committee is comprised of members of the board who are not employed by the organization, and no member may participate in the review and approval of compensation if the member has a conflict of interest with respect to that compensation arrangement The committee relies on data, provided by an independent compensation consultant, which includes comparable compensation for similarly qualified persons, in functionally comparable positions, at similarly situated organizations The deliberations and decisions of the committee are documented in minutes of the meeting

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Form 990, Part VI, Section C, Line 19 The Hospital posts its Code of Conduct (which incorporates the Conflict of Interest Policy) and its Compliance Manual (which includes a summary of the Conflict of Interest Policy) on its external website and these are also available from the Compliance Office or the Office of General Counsel Governing documents are not posted publicly but are available from the Hospital upon request and are also filed with the Massachusetts Secretary of State, where they are available to the public Audited financial statements are filed annually with the Massachusetts Office of the Attorney General as part of the Hospital's Form PC filing and are available from the organization upon request Quarterly financial statements are filed with the Hospital's bond trustee and are available to the public through the Electronic Municipal Market Access (EMMA) website maintained by the Municipal Securities Rulemaking Board

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -77,994,036 Net Transfers/Support from Children's Medical Center 201,400,715 Pension Adjustment -8,610,999 Other Adjustments -76,149 Tran of Prof Svc Surplus from Net Assets to Funds Held for Others 5,790,182 Total to Form 990, Part XI, Line 5 120,509,713

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Marketplace LaGuardia LLC One Wells Avenue Newton, MA02459 20-0417454	Investment in Marketplace LaGuardia LP	MA	Children's Hospital Corporation	5% Investment	56,290	4,806,683		No			No	57 040 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Longwood Associates Inc 55 Shattuck Street Boston, MA02115 04-2943755	Property Management	MA	Children's Medical Center Corporation	C			

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

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

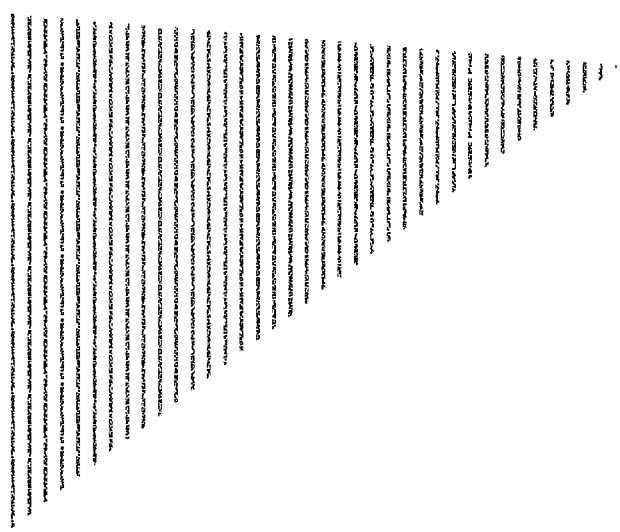
Additional Data

Return to Form

Software ID:
Software Version:
EIN: 04-2774441
Name: Children's Hospital Corporation

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
Children's Medical Center Corporation 55 Shattuck Street Boston, MA02115 04-1174680	Holds & manages security, real estate investments for Children's Hospital	MA	501(c)(3)	11 - Type II	N/A		No
Longwood Research Institute Inc 300 Longwood Avenue Boston, MA02115 04-2781368	Medical & scientific research, holds real estate investments	MA	501(c)(3)	11 - Type II	Children's Medical Center Corporation		No
CHB Properties Inc (fka Children's Extended Care Center) 300 Longwood Avenue Boston, MA02115 04-3323330	Holds & manages satellite ambulatory centers, real estate investments	MA	501(c)(3)	9	Children's Medical Center Corporation		No
Longwood Coporation 55 Shattuck Street Boston, MA02115 04-2779882	Holds & manages real estate investments	MA	501(c)(2)		Children's Medical Center Corporation		No
Fenmore Realty Corporation 55 Shattuck Street Boston, MA02115 22-2478110	Holds & manages real estate investments	MA	501(c)(2)		Children's Medical Center Corporation		No
Physician's Organization at Children's Hospital Inc 300 Longwood Avenue Boston, MA02115 04-3266103	Coordinates & develop integrated childhlth care system w/ affiliated members	MA	501(c)(3)	11 - Type III	N/A		No
Immune Disease Institute Inc 3 Blackfan Circle Boston, MA02115 04-2158520	Health care, education & research in immunology & biomedical science	MA	501(c)(3)	7 - 170b1Avi	N/A		No
New England Congenital Cardiology Research Foundation 300 Longwood Avenue Boston, MA02115 80-0368043	Improve patient safety & quality for children w/ heart disease	MA	501(c)(3)	7 - 170b1Avi	Children's Hospital Corporation	Yes	



AUDITED FINANCIAL STATEMENTS

Children's Hospital
Years Ended September 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Children's Hospital

Audited Financial Statements

Years Ended September 30, 2011 and 2010

Contents

Ernst & Young LLP
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Report of Independent Auditors

The Board of Trustees
Children's Hospital

We have audited the accompanying balance sheets of Children's Hospital (the Hospital) as of September 30, 2011 and 2010, and the related statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Hospital's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Hospital at September 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

January 9, 2012

Children's Hospital

Balance Sheets

	September 30 2011	2010
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,541**	$ 515
Patient accounts receivable, net of allowance for uncollectible accounts of $21,014 in 2011 and $17,897 in 2010	**129,653**	123,953
Other receivables	**59,204**	53,080
Due from Medical Center	**1,488,296**	1,356,314
Other current assets	**16,521**	13,705
Total current assets	**1,695,215**	1,547,567
Assets whose use is limited:		
By Board designation	**63,498**	67,590
By donor-imposed restrictions	**693,118**	534,513
By long-term debt agreements	**–**	34,654
By externally administered trusts	**43,213**	45,056
Other	**13,175**	11,995
	813,004	693,808
Property, plant, and equipment, net	**787,029**	748,839
Pledges receivable, net	**63,148**	71,009
Other assets	**11,150**	4,085
Total assets	**$3,369,546**	$3,065,308

	September 30 2011	2010
	(In Thousands)	
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 145,870**	$ 145,579
Accrued salaries and wages	**82,242**	88,927
Current portion of estimated third-party liabilities	**10,984**	11,323
Deferred revenue	**49,961**	41,468
Total current liabilities	**289,057**	287,297
Long-term liabilities:		
Long-term debt	**666,044**	665,977
Long-term portion of estimated third-party liabilities	**25,959**	25,516
Net pension liability	**30,886**	41,341
Funds held for others	**37,895**	36,654
Interest rate swap liability	**149,484**	122,421
Other liabilities	**40,648**	33,373
Total long-term liabilities	**950,916**	925,282
Commitments and contingencies		
Net assets:		
Unrestricted	**1,231,281**	1,123,123
Temporarily restricted	**358,702**	377,608
Permanently restricted	**539,590**	351,998
Total net assets	**2,129,573**	1,852,729
Total liabilities and net assets	**$3,369,546**	$3,065,308

See accompanying notes

Children's Hospital

Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2011	**2010**
	(In Thousands)	
Revenues:		
Net patient services revenue	**$1,000,371**	$1,008,566
Research grants and contracts	**162,851**	144,016
Recovery of indirect costs on grants and contracts	**58,786**	52,311
Other operating revenue	**35,561**	31,087
Medical Center support for mission-related activities	**18,000**	16,343
Unrestricted contributions, net of fundraising expenses of $7,910 for 2011 and $8,275 for 2010	**7,243**	5,132
Net assets released from restrictions used for operations	**45,282**	42,855
Total revenues	**1,328,094**	1,300,310
Expenses:		
Salaries and benefits	**551,349**	547,062
Supplies and other expenses	**401,275**	410,391
Direct research expenses of grants	**162,851**	144,016
Provision for uncollectible accounts	**24,094**	17,751
Health Safety Net Trust assessment	**8,925**	9,964
Depreciation and amortization	**88,522**	90,942
Interest and net interest rate swap cash flows	**29,625**	27,577
Total expenses	**1,266,641**	1,247,703
Gain from current operations	**61,453**	52,607
Changes in estimates of prior year third-party settlements	**4,970**	10,413
Gain from current operations	**66,423**	63,020
Non-operating gains (losses):		
Income from investments	**5,160**	5,259
Support from Medical Center	**48,547**	50,169
Increase in value of alternative investments	**461**	2,398
Net realized gain on investments	**4,142**	1,549
Recognition of unrealized losses on investments	**(1,109)**	(267)
Fundraising expenses on restricted contributions	**(14,493)**	(14,203)
Adjustment of interest rate swaps to fair value	**(27,064)**	(33,779)
Total non-operating gains	**15,644**	11,126
Excess of revenues over expenses	**82,067**	74,146

Children's Hospital

Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2011	**2010**
	(In Thousands)	
Changes in unrestricted net assets:		
Excess of revenues over expenses	**$ 82,067**	$ 74,146
Net assets released from restrictions for capital asset acquisitions	**5,601**	2,090
Net transfers of funds from Medical Center	**134,854**	53,599
Net unrealized (loss) gain on investments	**(3,600)**	2,315
(Depreciation) appreciation on endowment funds	**(15,559)**	7,080
Net asset transfer related to donor-match program	**(86,520)**	(15,985)
Pension adjustment	**(8,611)**	(2,807)
Other	**(74)**	54
Increase in unrestricted net assets	**108,158**	120,492
Changes in temporarily restricted net assets:		
Contributions	**34,000**	36,070
Income and net realized gain on investments	**30,140**	10,903
Recognition of unrealized losses on investments	**(10,880)**	(1,852)
Increase in value of alternative investments	**1,462**	12,633
Net unrealized (loss) gain on investments	**(37,264)**	25,788
Depreciation (appreciation) on endowment funds	**15,559**	(7,080)
Net assets released from restrictions	**(50,883)**	(44,945)
Net assets transfer related to donor-match program	**(1,040)**	(82)
(Decrease) increase in temporarily restricted net assets	**(18,906)**	31,435
Changes in permanently restricted net assets:		
Contributions	**100,032**	46,396
Net assets transfer related to donor-match program	**87,560**	16,067
Increase in permanently restricted net assets	**187,592**	62,463
Increase in net assets	**276,844**	214,390
Net assets at beginning of year	**1,852,729**	1,638,339
Net assets at end of year	**$2,129,573**	$1,852,729

See accompanying notes

Children's Hospital

Statements of Cash Flows

	Year Ended September 30	
	2011	**2010**
	(In Thousands)	
Operating activities		
Change in net assets	**$ 276,844**	$ 214,390
Non-cash and non-operating activities included in change in net assets:		
Depreciation and amortization	**88,522**	90,942
Net transfers from Medical Center	**(201,401)**	(120,111)
Restricted contributions	**(134,032)**	(82,466)
Net realized and unrealized loss (gain) on investments	**16,648**	(53,467)
Changes in operating assets and liabilities:		
Patient accounts receivable	**(5,700)**	3,660
Other accounts receivable	**(6,124)**	(7,701)
Other current assets	**(10,195)**	354
Accounts payable and accrued expenses	**(6,394)**	25,390
Estimated third-party liabilities	**104**	(4,908)
Other liabilities	**33,617**	38,297
Net cash provided by operating activities	**51,889**	104,380
Financing activities		
Proceeds from issuance of long-term debt	**–**	465,977
Repayments of long-term debt	**–**	(339,325)
Net transfers from Medical Center	**201,401**	120,111
Increase in due from Medical Center	**(131,982)**	(233,157)
Decrease in pledges receivable	**7,861**	1,960
Restricted contributions	**134,032**	82,466
Net cash provided by financing activities	**211,312**	98,032
Investing activities		
Additions to fixed assets, net of retirements	**(126,331)**	(119,540)
Increase in assets whose use is limited	**(135,844)**	(82,729)
Net cash used in investing activities	**(262,175)**	(202,269)
Net increase in cash and cash equivalents	**1,026**	143
Cash and cash equivalents at beginning of year	**515**	372
Cash and cash equivalents at end of year	**$ 1,541**	$ 515

See accompanying notes

1. Summary of Significant Accounting Policies

Organization

Children's Hospital (the Hospital) is a voluntary, not-for-profit pediatric teaching hospital, located in Boston, Massachusetts, whose mission is pediatric patient care, research, training, and community service (mission-related activities). Since January 1, 1983, the Hospital has operated as a subsidiary of Children's Medical Center (the Medical Center). The Medical Center is the not-for-profit parent holding company which holds and manages investments, and conducts fundraising activities for the benefit of the Hospital. Waltham Medical Center LLC is a subsidiary of the Medical Center, which was transferred to Children's Extended Care Center Incorporated, a subsidiary of the Medical Center, in February 2006. This property, located in Waltham on the site of the former Waltham Hospital, provides health care-related services to the surrounding community. Approximately one-quarter of the facility is leased to non-related organizations. The balance is leased to the Hospital as part of the satellite strategy.

The Hospital is affiliated with 16 tax-exempt physician-controlled Foundations (the Foundations). These independent, not-for-profit group practices perform their own billing for professional services, and pay salaries and fringe benefits to their members. For purposes of fiscal year 2010, the most recent year available, the Foundations had combined total assets, liabilities and unrestricted net assets of $675,018,000, $142,488,000 and $501,733,000, respectively. Total fiscal year 2010 combined operating revenues, operating expenses and increase in net assets were $561,441,000, $505,576,000 and $85,057,000, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

In 2011 and 2010, changes in estimates of prior year third-party settlements increased the gain from operations by approximately $4,970,000 and $10,413,000, respectively (Note 12).

Reclassification

Certain amounts for the year ended September 30, 2010 have been reclassified to be consistent with the presentation of the amounts for the year ended September 30, 2011.

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash equivalents include money market instruments with average maturities of less than 90 days, excluding amounts included in assets whose use is limited.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market, and are recorded in other current assets on the balance sheets.

Assets Whose Use Is Limited

Assets whose use is limited include amounts whose use has been designated by the Board of Trustees (the Board), donor-restricted assets, and amounts set aside for debt service and deferred compensation. Amounts invested in marketable securities are reported at fair market value determined principally from quoted market prices. Unrestricted investment income is reported as a non-operating gain. Restricted investment income is reported as an addition to restricted net assets. Realized gains (losses) are computed at an average-cost basis, and are reported as non-operating gains (losses) or additions (subtractions) to restricted net assets in accordance with the donor's intent. Impairments in investment value that are determined to be other than temporary are reported as non-operating gains (losses). Unrealized gains and losses on investments are reported as a change in the appropriate net asset category; unrestricted amounts are excluded from the excess of revenues over expenses.

The Hospital participates in the Medical Center's investment pool. The investment pool is operated on the market value method, whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry. Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool.

Alternative investments (non-traditional, not readily marketable holdings) include hedge funds and private equity funds. Alternative investment interests generally are structured such that the Medical Center holds a limited partnership interest. The Medical Center's ownership structure does not provide for control over the related investees and the Medical Center's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment. Future funding commitments for alternative investments aggregated approximately $100,000,000 at September 30, 2011.

1. Summary of Significant Accounting Policies (continued)

Individual investment holdings within the alternative investments include non-marketable and market-traded debt, equity and real asset securities and interests in other alternative investments. The Medical Center may be exposed indirectly to securities lending, short sales of securities and trading in futures and forward contracts, options and other derivative products. Alternative investments often have liquidity restrictions under which the Medical Center's capital may be divested only at specified times. The Medical Center's liquidity restrictions may be up to seven years or longer for certain private equity investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

Alternative investments are reported in the accompanying balance sheets based upon net asset values derived from the application of the equity method of accounting. Financial information used by the Medical Center to evaluate its alternative investments is provided by the investment manager or general partner and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with the Medical Center's annual financial statement reporting.

There is uncertainty in the valuation for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings and time lags associated with reporting by investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Interest costs incurred during the construction period of major projects are capitalized as a component of the cost of these assets, and are depreciated over the estimated useful lives of the assets. The costs of repairs and maintenance are charged to expense as incurred.

Depreciation and amortization is computed on the straight-line method based on the estimated useful lives of the assets. The estimated useful lives conform to the guidelines established by the American Hospital Association. The Hospital's policy is to fund depreciation expense in amounts not exceeding cumulative allowable depreciation expense.

1. Summary of Significant Accounting Policies (continued)

Original Issue Discount and Debt Issuance Fees

Unamortized original issue discounts, and the costs associated with the issuance of debt, are amortized using the interest method over the life of the bond issue, and are recorded in other assets on the balance sheets.

Pledges

Pledges, less an allowance for uncollectible amounts, are recorded as a receivable in the year made. Pledges receivable over a period greater than one year are stated at net present value.

Net Assets

The accompanying balance sheets of the Hospital classify net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. Net assets which bear no external restriction as to use or purpose are classified as unrestricted. Also included in unrestricted net assets are assets whose use is limited under debt or trust agreements. In addition, unrestricted net assets include Board-designated funds for plant replacement and expansion, and mission-related activities.

Net assets which are restricted by donors or grantors as to use or purpose are classified as either temporarily restricted or permanently restricted:

Temporarily restricted net assets are restricted by the donor or grantor, principally for the support of research, patient care, departmental support, medical education, community health services, and the acquisition of property, plant, and equipment. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions.

Permanently restricted net assets represent contributions to the Hospital, the principal of which may not be expended. Income from permanently restricted net assets may be unrestricted or restricted in accordance with the donor's request. In accordance with the laws of the Commonwealth of Massachusetts, gains on permanently restricted net assets are recorded as temporarily restricted net assets until appropriated for expenditure by the Board.

1. Summary of Significant Accounting Policies (continued)

Net Patient Services Revenue

Net patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated contractual adjustments under reimbursement agreements with third-party payors. Contractual adjustments are accrued on an estimated basis in the period in which the related services are rendered. If estimated allowances are adjusted in future periods, the adjustments are recorded as changes in estimates of prior year third-party settlements.

Revenues from Medicare and Medicaid, including Medicaid out-of-state programs, accounted for approximately 1.0% and 11.3%, respectively, of the Hospital's net patient services revenue for 2011 (1.0% and 10.1%, respectively, for 2010). Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Research Grants and Contracts

The Hospital engages in research activities funded by grants and contracts with federal and state governments, and various private sources. Revenues associated with grants and contracts are recognized as the related costs are incurred. Research funds received in advance are reported as deferred revenue, and are recognized as earned revenue as the related research expenditures are incurred. Recoveries of indirect costs relating to certain government grants and contracts are reimbursed at predetermined rates negotiated with government agencies. Recoveries of indirect costs relating to non-government grants are reimbursed at varying rates, depending upon sponsor policies.

Contributions

Unrestricted gifts are recorded as operating income; restricted gifts are recorded as additions to restricted net asset balances. Donated securities and property are recorded at fair market value as of the date of donation.

Income Taxes

The Hospital is exempt from income taxes on related business income under Internal Revenue Code Section 501(c)(3).

1. Summary of Significant Accounting Policies (continued)

New Accounting Standards

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until reporting periods beginning after December 15, 2010, the guidance in ASU 2010-06 became effective for reporting periods beginning after December 15, 2009. The adoption of the provisions of ASU 2010-06 did not impact the Hospital's financial statements.

In August 2010, the FASB issued amended guidance relating to measuring charity care for disclosures. The amended guidance requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. Separate disclosure of the amount of any cash reimbursements received for providing charity care must also be disclosed.

The amended guidance is effective for fiscal years beginning after December 15, 2010. The Hospital will adopt the disclosures required by the amended guidance for its fiscal year ending September 30, 2012.

In August 2010, the FASB issued amended guidance related to the presentation of insurance claims and related insurance recoveries. Under the new guidance, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. The guidance is effective for fiscal years beginning after December 15, 2010. The Hospital will adopt the presentation changes to the balance sheet for its fiscal year ending September 30, 2012.

1. Summary of Significant Accounting Policies (continued)

In July 2011, the FASB issued new guidance, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*. The guidance requires certain health care entities to present the bad debt expense associated with the patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than operating expense. The guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 31, 2011, with early adoption permitted.

2. Assets Whose Use Is Limited

Assets whose use is limited consist of the following at fair value for years ended September 30 (in thousands):

	2011	2010
Pooled investments:		
Equity securities	**$276,269**	$232,160
Fixed income securities	**397,217**	323,280
Other	**83,130**	46,663
Total pooled investments	**756,616**	602,103
Non-pooled investments:		
Equity securities	**857**	871
Fixed income securities	**12,318**	45,778
Total non-pooled investments	**13,175**	46,649
Externally administered trusts (marketable equity and debt securities)	**43,213**	45,056
Total assets whose use is limited	**$813,004**	$693,808

Included in the pooled investments above are alternative investments, which represent 43% and 41% of the pooled investments as of September 30, 2011 and 2010, respectively.

2. Assets Whose Use Is Limited (continued)

These assets whose use is limited are presented in the accompanying balance sheets as follows for years ended September 30 (in thousands):

	2011	2010
Assets whose use is limited or restricted:		
By Board designation for mission-related activities	**$ 63,498**	$ 67,590
By donor-imposed restriction	**693,118**	534,513
By long-term debt agreements	**–**	34,654
By externally administered trusts	**43,213**	45,056
Other:		
As funds held for others	**2,597**	1,794
Under deferred compensation agreements	**9,435**	9,058
Other	**1,143**	1,143
	13,175	11,995
Total assets whose use is limited	**$813,004**	$693,808

The components of investment earnings include (in thousands):

	Unrestricted	Temporarily Restricted	Total
Year ended September 30, 2011			
Interest and dividend income:			
Non-operating revenue	**$ 5,160**	**$ –**	**$ 5,160**
Increase in temporarily restricted net assets	**–**	**286**	**286**
Increase in value of alternative investments	**461**	**1,462**	**1,923**
Realized gains	**4,142**	**29,854**	**33,996**
Recognition of unrealized losses	**(1,109)**	**(10,880)**	**(11,989)**
Net unrealized losses	**(3,600)**	**(37,264)**	**(40,864)**
Total return on investments	**$ 5,054**	**$(16,542)**	**$(11,488)**

2. Assets Whose Use Is Limited (continued)

	Unrestricted	Temporarily Restricted	Total
Year ended September 30, 2010			
Interest and dividend income:			
Non-operating revenue	$ 5,259	$ –	$ 5,259
Increase in temporarily restricted net assets	–	225	225
Increase in value of alternative investments	2,398	12,633	15,031
Realized gains	1,549	10,678	12,227
Recognition of unrealized losses	(267)	(1,852)	(2,119)
Net unrealized gains	2,315	25,788	28,103
Total return on investments	$11,254	$47,472	$58,726

Management continually reviews its investment portfolio where the market value is below cost, and in cases where the decline is considered to be other than temporary, an adjustment is recorded to realize the loss. The Hospital recorded a realized loss for other-than-temporary declines in the fair value of investments of approximately $11,989,000 and $2,119,000 for the years ended September 30, 2011 and 2010, respectively, of which $1,109,000 and $267,000, respectively, is included in unrestricted investment income, and $10,880,000 and $1,852,000, respectively, is included in changes in temporarily restricted net assets. There were no investments that had aggregate gross unrealized losses as of September 30, 2011 and 2010.

3. Related Party Transactions

During the years ended September 30, 2011 and 2010, the Hospital transferred amounts equal to depreciation expense to the Medical Center to fund future capital expenditures of $88,439,000 and $90,105,000, respectively, and received funding for capital and other expenditures in the amounts of $223,293,000 and $143,704,000, respectively.

During the years ended September 30, 2011 and 2010, the Hospital received support from the Medical Center to fund patient care, teaching, and research activities in the amounts of $66,547,000 and $66,512,000, respectively. Of the amounts reported for the years ended September 30, 2011 and 2010, $48,547,000 and $50,169,000, respectively, is reported as non-operating income, and $18,000,000 and $16,343,000, respectively, is reported as operating revenue to support various mission-related activities. Amounts due from the Medical Center, as

3. Related Party Transactions (continued)

of September 30, 2011 and 2010, were $1,488,296,000 and $1,356,314,000, respectively. Amounts due from the Medical Center result primarily from net cash provided by the Hospital's operations and transferred to the Medical Center, the Hospital's accrued and unpaid support from the Medical Center, and other intercompany transactions.

During the years ended September 30, 2011 and 2010, the Hospital made payments of $7,714,000 and $7,398,000, respectively, to the Foundations for administrative, supervisory, and training activities provided by their members to the Hospital. The Hospital also supported the Foundations through loans and restricted gifts for the recruitment and retention of physicians, and the development of strategic quality initiatives to enhance the delivery and quality of patient care services in the amount of $7,957,000 and $11,982,000 in 2011 and 2010, respectively. The Hospital bills for professional services and a limited number of clinical services, and accordingly, remunerates the Foundations for physician fees associated with these services. These physician fees and other administrative payments were $45,408,000 and $65,989,000 for the years ended September 30, 2011 and 2010, respectively.

The Hospital leases building space from Waltham Medical Center. During the years ended September 30, 2011 and 2010, the Hospital incurred $7,384,000 and $7,540,000, respectively, in rent expense related to this operating lease. The lease automatically renews each year unless either party elects to terminate it.

4. Contributions

Contributions received and pledged to the Hospital were as follows for the years ended September 30 (in thousands):

	2011	2010
Gross contributions	**$148,383**	$95,675
Provision for uncollectible pledges	–	(255)
Accretion of discount	**801**	453
Net contributions	**$149,184**	$95,873

4. Contributions (continued)

These contributions are reported in the accompanying financial statements in accordance with donors' restrictions as follows for the years ended September 30 (in thousands):

	2011	2010
Unrestricted contributions	**$ 15,152**	$13,407
Temporarily restricted	**34,000**	36,070
Permanently restricted	**100,032**	46,396
Net contributions	**$149,184**	$95,873

In addition to the $148,383,000 and $95,675,000 in gross contributions raised, the Hospital raised $15,782,000 and $11,686,000 in non-governmental grant awards, to bring the total funds raised to $164,165,000 and $107,361,000 for the years ended September 30, 2011 and 2010, respectively.

Contributions pledged to the Hospital are due as follows for the years ended September 30 (in thousands):

	2011	2010
Due in less than one year	**$35,903**	$30,869
Due in one to five years	**28,427**	47,632
Due in more than five years	**8,188**	3,120
	72,518	81,621
Less discount to present value	**(5,744)**	(4,081)
Less allowance for uncollectible pledges	**(3,626)**	(6,531)
Total pledges receivable, net	**$63,148**	$71,009

5. Free Care, Health Safety Net Trust, and Community Services

The Hospital provides care to patients who meet certain criteria under its free care policy without expectation of payment or at amounts less than its established rates. As the Hospital does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient services revenue. The Hospital also supports the delivery of health care services to the indigent through payments to the Health Safety Net Trust (HST), which is administered by the

5. Free Care, Health Safety Net Trust, and Community Services (continued)

Commonwealth of Massachusetts. The amounts of net receipts to HST, provision for uncollectible accounts, and free care were as follows for the years ended September 30 (in thousands):

	2011	2010
HST receipts (net patient services revenue)	**$ (3,872)**	$ (3,347)
HST assessment	**8,925**	9,964
Net disbursements to HST	**5,053**	6,617
Provision for uncollectible accounts	**24,094**	17,751
Total HST expense	**29,147**	24,368
Free care (deductions from revenue at standard charge)	**12,913**	8,818
Total free care and HST	**$42,060**	$33,186

The Hospital also provides resources to support numerous initiatives aimed at contributing to the physical and psychological well-being of children, youth, and families living in the Hospital's community. The initiatives include programs at the Hospital, and in collaboration with community-based organizations, to provide comprehensive services to adolescent mothers and children, HIV outreach services, services to reduce infant mortality, assistance to the homeless, and training and other related services to individuals with developmental disabilities. The Hospital also provides medical services to the community through its emergency room, which operates 24 hours a day, and is available to all regardless of ability to pay.

6. Property, Plant, and Equipment

Property, plant, and equipment consist of the following at September 30 (in thousands):

	2011	2010
Land and improvements	**$ 6,661**	$ 6,330
Buildings and improvements	**1,142,118**	1,085,938
Equipment	**535,940**	494,677
Construction in progress	**112,145**	84,547
	1,796,864	1,671,492
Less accumulated depreciation and amortization	**(1,009,835)**	(922,653)
	$ 787,029	$ 748,839

6. Property, Plant, and Equipment (continued)

At September 30, 2011, the Hospital had commitments of $117,247,000 to complete projects relating to capital construction and software development.

7. Asset Retirement Obligations

Conditional asset retirement obligations amounted to $15,526,000 and $15,696,000 as of September 30, 2011 and 2010, respectively. These obligations are recorded in other liabilities in the accompanying balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations.

During 2011 and 2010, retirement obligations incurred and settled were $1,778,000 and $2,063,000, respectively. Accretion expense of $1,608,000 and $1,510,000 was recorded during the years ended September 30, 2011 and 2010, respectively.

8. Other Assets

Other assets consist of the following at September 30 (in thousands):

	2011	**2010**
Unamortized debt issuance costs	**$ 4,071**	$4,085
Medical resident tax refund (Note 17)	**7,079**	–
	$11,150	$4,085

9. Leases

The Hospital leases buildings under operating leases which expire at various dates through 2028. The Hospital's obligations under non-cancelable leases as of September 30, 2011 are as follows (in thousands):

2012	$ 17,419
2013	17,014
2014	16,028
2015	16,037
2016	16,054
Thereafter	123,826
Total	$206,378

9. Leases (continued)

Rent expense under non-related party operating leases was approximately $27,871,000 and $26,164,000 for the years ended September 30, 2011 and 2010, respectively.

10. Long-Term Debt

Long-term debt at September 30 consists of the following (in thousands):

	2011	2010
Bank term loan	**$200,000**	$200,000
Massachusetts Health and Educational Facilities Authority (MHEFA) issues:		
Series M	**124,454**	124,387
Series N	**341,590**	341,590
	$666,044	$665,977

Summary information for each issue follows:

Bank Term Loan

On August 28, 2008, the Hospital entered into a term loan agreement with a bank in the amount of $200,000,000. Proceeds from the loan were used to purchase the Children's Hospital Series L-1 and L-2 MHEFA Revenue Bonds from the bank. These bonds were previously purchased by the bank during 2008 under the terms of the standby bond purchase agreement which was triggered when remarketing efforts on these bonds began to fail. The bank loan bears interest at a variable rate (0.99% at September 30, 2011), and is scheduled to mature on October 15, 2013. Interest payments are due monthly.

Series M Bonds

On November 18, 2009, the Hospital issued Series M MHEFA Revenue Bonds in the aggregate principal amount of $126,110,000. The Bond proceeds were used to reimburse and fund certain capital additions, renovations, and equipment expenditures. The bonds, with a final maturity in December 2039, were issued at a net discount in the amount of $1,780,287 to bear interest at yields which increase from 5.30% to 5.40% as maturities lengthen. Interest payments are due semiannually. The first annual principal payment is due in 2033.

10. Long-Term Debt (continued)

Series N Bonds

On May 13, 2010, the Hospital issued Series N MHEFA Revenue Bonds in the amount of $341,590,000. The Bond proceeds redeemed MHEFA's Revenue Bonds, Children's Hospital Issue, Periodic Auction Reset Securities Series G, H, I, J and K. The Series N Bonds have a final maturity in October 2049 and were issued as Variable Rate Demand Revenue Bonds secured by bank letters of credit which expire on May 13, 2013 and May 13, 2015. Interest payments are due monthly. Interest on the bonds is variable based on weekly (Series N-1, N-2, N-3) and daily (Series N-4) auctions and was 0.08%, 0.10%, 0.12% and 0.15% for Series N-1, N-2, N-3 and N-4, respectively, on September 30, 2011.

Interest Rate Swap Agreements

Inception Date	Notional Amount	Fixed Interest Rate	Maturity Date
December 2007	$120,000,000	3.42%	December 2041
May 2006	119,875,000	3.57	April 2040
August 2004	70,000,000	4.00*	October 2027
November 2003	50,000,000	3.13	November 2040
December 2001	35,000,000	4.72	December 2021
December 2001	35,000,000	4.72	December 2026
May 2001	105,250,000	4.58	December 2036

*Fixed at 4.0% through October 1, 2027, if the variable-rate tax-exempt index reaches 4.5%.

The Hospital uses interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates. The interest rate swap agreements meet the definition of derivative instruments. Consequently, the fair value of the swaps (a liability of $149,484,000 and $122,421,000 at September 30, 2011 and 2010, respectively) is reported under long-term liabilities in the accompanying balance sheets, and the change in fair value during the year of $27,064,000 and $33,779,000 for the years ended September 30, 2011 and 2010, respectively, is reported as a non-operating loss in the statements of operations and changes in net assets. The swaps, while serving as an economic hedge, do not qualify as an accounting hedge.

10. Long-Term Debt (continued)

Cash flows under the swaps netted to payments of approximately $17,638,000 and $17,447,000 in 2011 and 2010, respectively, and are included in interest expense.

Three of the interest rate swaps are cancellable at the option of the counter-party at any time if the variable interest rate is greater than or equal to 7%. The aggregate fair value of these swaps as of September 30, 2011 and 2010, is a liability of approximately $38,595,000 and $31,627,000, respectively.

Guaranteed Debt

As security to the Hospital's bank term loan and Series M and N bondholders, the Medical Center has executed unconditional and irrevocable guaranties of full and punctual payment of all obligations of the Hospital under the terms of the related loan agreements.

The Hospital has also guaranteed $630,000 of the principal of $4,410,000 of revenue bonds issued by MHEFA on behalf of the Community Health Center Capital Fund. As of September 30, 2011, there have not been any requirements to honor calls under this guarantee.

In accordance with the terms of the loan agreement for Series M, a construction fund was established with an independent trustee. The balance at September 30, is as follows (in thousands):

	2011	2010
Construction funds – to provide reimbursement to the Hospital of construction, renovation, and certain other capital expenditures	$ –	$34,654
	$ –	$34,654

Interest paid was $29,625,000 and $27,577,000 for the years ended September 30, 2011 and 2010, respectively. Interest capitalized in connection with ongoing construction projects approximated $665,000 and $574,000 in 2011 and 2010, respectively.

11. Restricted Net Assets

Temporarily restricted net assets at September 30 are comprised of the following (in thousands):

	2011	2010
Mission-related activities	**$177,089**	$163,216
Accumulated gains on permanently restricted net assets	**181,613**	214,392
	$358,702	$377,608

Permanently restricted net assets at September 30 are restricted as follows (in thousands):

	2011	2010
Investments to be held in perpetuity, the income from which is:		
Unrestricted as to use	**$ 28,021**	$ 27,453
Restricted for patient care-related activities	**190,244**	153,147
Restricted for research	**275,776**	151,159
Restricted for medical education	**45,549**	20,239
	$539,590	$351,998

The Hospital follows the requirements of the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as they relate to its permanently restricted endowments. The Hospital's endowments consist of numerous individual funds established for a variety of purposes and included both donor-restricted endowment funds and unrestricted Board-designated funds held as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Management of the Hospital has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the gift absent explicit donor stipulation to the contrary. Permanently restricted net assets include (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation

11. Restricted Net Assets (continued)

of the fund, (2) the purpose of the Hospital and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Hospital.

The components of endowment-related activities included the following (in thousands):

	Temporarily Restricted Funds	**Permanently Restricted Funds**	**Total Endowment Funds**
Year ended September 30, 2011			
Endowment net assets at beginning of year	**$218,579**	**$333,693**	**$552,272**
Investment return:			
Investment income	**4,366**	–	**4,366**
Net depreciation	**(15,895)**	–	**(15,895)**
Total investment return	**(11,529)**	–	**(11,529)**
Contributions and pledge payments	–	**106,666**	**106,666**
Net asset reclassifications	–	**85,640**	**85,640**
Amounts appropriated for expenditure	**(20,153)**	–	**(20,153)**
Endowment net assets at end of year	**$186,897**	**$525,999**	**$712,896**

	Temporarily Restricted Funds	**Permanently Restricted Funds**	**Total Endowment Funds**
Year ended September 30, 2010			
Endowment net assets at beginning of year	$188,570	$270,579	$459,149
Investment return:			
Investment income	4,368	–	4,368
Net appreciation	43,654	–	43,654
Total investment return	48,022	–	48,022
Contributions and pledge payments	–	46,599	46,599
Net asset reclassifications	–	16,515	16,515
Amounts appropriated for expenditure	(18,013)	–	(18,013)
Endowment net assets at end of year	$218,579	$333,693	$552,272

11. Restricted Net Assets (continued)

The Hospital's investment and spending policies for endowment assets are intended to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity, and the unexpended appreciation on those funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is expected to generate a long-term rate of return of approximately 7% per annum. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that consists of equities, fixed income, and alternative investments.

The Hospital has a policy of appropriating, for distribution each year, no more than 5% of its endowment funds' "three-year trailing average market value." In establishing this policy, the Hospital considered the long-term expected return on its endowments.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Hospital to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are $18,906,000 and $3,347,000 as of September 30, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations.

The Hospital's faculty match program is a donor match program where the Hospital matches certain permanently restricted gifts from donors under a pre-defined ratio. This program has resulted in several major gifts to the Hospital in support of certain strategic purposes.

Net assets were released from donor or grantor restrictions during the years ended September 30 by incurring expenses satisfying the following restricted purposes (in thousands):

	2011	2010
Mission-related activities	**$45,282**	$42,855
Property, plant, and equipment	**5,601**	2,090
	$50,883	$44,945

12. Net Patient Services Revenue

The Hospital has agreements with numerous third-party payors that provide for payments at amounts different from its established charges. Medicaid payments are based on a contract with the Massachusetts Executive Office of Health and Human Services, and reimbursed for services on a standardized payment-per-encounter basis for outpatients and a standardized per-adjusted-discharge basis for inpatients. The current year payments are reflective of current year inflation adjusted for prior year diagnoses, procedures, and case mix.

Contracts with managed care providers provide for payments based on a variety of methodologies, including discounted charges, per-case, and per-diem arrangements for inpatients, and discounted charges and fee schedule arrangements for outpatients. Commercial insurers reimburse the Hospital for services on the basis of established charges. Since the Hospital is a pediatric institution, it is exempt from the Federal Prospective Payment System, which governs Medicare reimbursement; therefore, the Hospital's Medicare reimbursement is based upon Medicare's proportionate share of reasonable costs.

During 2011 and 2010, in connection with special legislative appropriations, the Hospital received $17,706,000 and $21,120,000, respectively, from the Federal Children's Hospital's GME program for reimbursement of graduate medical education expense. In 2011 and 2010, the Hospital also recognized $915,000 and $4,532,000, respectively, from Massachusetts Medicaid for pediatric cases with a case mix index greater than five. There is no guarantee that similar appropriations will occur in the future, or at what level.

Differences between estimated and final settlements are recorded as contractual adjustments in the year determined. The Hospital recorded favorable adjustments of approximately $4,970,000 and $10,413,000 in 2011 and 2010, respectively, as a result of final settlements and other adjustments to prior year estimates.

The Hospital grants credit without collateral to its patients. The concentration of credit risk by payor as measured by patient accounts receivables, net of contractual adjustments, was as follows for the years ended September 30:

	2011	2010
Commercial/other managed care	**51%**	50%
Blue Cross	**22**	22
Medicaid	**13**	13
Self-pay	**9**	8
Neighborhood Health Plan	**4**	4
Other governmental	**1**	3
Total	**100%**	100%

13. Employees' Retirement Plans

The Hospital sponsors two non-contributory, defined benefit retirement plans (the Regular Employees' Pension Plan and the Maintenance Employees' Pension Plan), which cover substantially all employees of the Hospital. The Hospital does not provide postretirement benefits other than pension to its retirees.

The Regular Employees' Pension Plan and Maintenance Employees' Pension Plan are cash balance plans under which benefits are based on the annuitized value of a participant's account, which consists of basic credits (determined on age, years of vesting service, and compensation), plus interest credits thereon. The measurement date of these plans is September 30.

Reconciliation of Funded Status and Accumulated Benefit Obligation

A reconciliation of the changes in the Hospital's pension plans' projected benefit obligation and the fair value of assets, and the accumulated benefit obligation of the plans as of September 30, follows (in thousands):

	2011	2010
Change in benefit obligation		
Benefit obligation at beginning of year	**$431,531**	$377,302
Service cost	**29,412**	27,534
Interest cost	**21,566**	21,924
Plan amendments	**(26,237)**	–
Actuarial (gain) loss	**(755)**	13,269
Benefits paid	**(11,385)**	(8,498)
Benefit obligation at end of year	**444,132**	431,531
Change in plan assets		
Fair value of plan assets at beginning of year	**390,190**	316,602
Actual return on plan assets	**(6,559)**	33,574
Employer contribution	**41,000**	48,512
Benefits paid	**(11,385)**	(8,498)
Fair value of plan assets at end of year	**413,246**	390,190
Funded status	**$ (30,886)**	$ (41,341)
Accumulated benefit obligation	**$382,077**	$343,635

13. Employees' Retirement Plans (continued)

The plans were amended in 2011 to adjust the years of service required for participants to achieve certain benefit levels.

The funded status of the plans of $(30,886,000) and $(41,341,000) at September 30, 2011 and 2010, respectively, is reported in the accompanying balance sheets under long-term liabilities.

Net periodic pension cost includes the following components for the years ended September 30 (in thousands):

	2011	2010
Components of net periodic benefit cost		
Service cost	**$ 29,412**	$ 27,534
Interest cost	**21,566**	21,924
Expected return on plan assets	**(28,062)**	(23,231)
Amortization of prior service (credit) cost	**(982)**	119
Net periodic pension cost	**$ 21,934**	$ 26,346

Included in unrestricted net assets for the years ended September 30, 2011 and 2010, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service (credit) costs of $(24,795,140) and $457,472, respectively, and unrecognized actuarial loss of $67,598,294 and $33,734,324, respectively. The prior service credit and unrecognized actuarial loss included as other changes in unrestricted net assets, and are expected to be recognized in net periodic pension cost during the fiscal year ending September 30, 2012 is $1,349,677 and $1,231,375, respectively.

The weighted-average assumptions used to develop pension expense for the years ended September 30 are as follows:

	2011	2010
Weighted-average assumptions for pension cost		
Discount rate	**5.25%**	5.95%
Expected return on plan assets	**7.00**	7.00
Rate of compensation increase	**4.50**	5.00

To develop the expected long-term rate of return on plan assets assumption, the Hospital considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

13. Employees' Retirement Plans (continued)

The weighted-average assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2011	2010
Weighted-average assumptions for benefit obligation		
Discount rate	**4.80%**	5.25%
Rate of compensation increase	**4.00**	4.50

Plan Assets

The plans' investment objectives are to achieve long-term growth in excess of long-term inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets over a long-term time horizon. In order to minimize risk, the plans intend to minimize the variability in yearly returns. The plans also intend to diversify their holdings among asset classes, investment managers, sectors, industries, and companies. The asset policy guidelines include total equities approximately between 50% and 75%, total fixed income between 10% and 40%, and other strategies between 5% and 25%.

The Hospital's pension plans' weighted-average asset allocations at September 30, by asset category, are as follows:

	2011	2010
Domestic equities	**35%**	35%
International equities	**10**	10
Fixed income	**32**	32
Other	**23**	23
Total	**100%**	100%

Contributions

The Hospital expects to contribute approximately $22,000,000 to its pension plans in 2012.

13. Employees' Retirement Plans (continued)

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, are expected to be paid as follows (in thousands):

Fiscal Year	Pension Benefits
2012	$ 24,990
2013	14,355
2014	15,987
2015	18,342
2016	18,046
Years 2017 – 2021	142,924

Certain physicians, by virtue of their joint appointments at the Hospital and Harvard University, are eligible for participation in the Harvard Retirement Plan for Teaching Faculty (the Harvard Plan), a defined contribution plan, and do not participate in the Hospital's plans. The Hospital's pension expense related to the Harvard Plan was approximately $3,404,000 and $3,254,000 for the years ended September 30, 2011 and 2010, respectively.

The Hospital has a 403(b) Tax-Deferred Annuity Plan under which contributions can be made into the plan by all employees. Beginning in 2011, the Hospital makes contributions to the plan based on a percentage of annual eligible earnings. Contributions under the plan amounted to $3,550,000.

14. Professional Liability

The Hospital's primary professional and general liability insurance coverage is provided by Controlled Risk Insurance Company, Ltd. (CRICO), a corporation formed and wholly owned by the Harvard-affiliated medical institutions. The Hospital owns approximately 10% of CRICO's stock. The premiums that the Hospital pays to CRICO are actuarially determined based on asserted claims, and reported but unasserted claims. CRICO obtains excess coverage from other insurers.

The Hospital's professional liability insurance policy is on a claims-made basis. The Hospital accrues a liability for claims incurred but not reported. At September 30, 2011 and 2010, the liability was $5,508,000 and $5,103,000, respectively.

14. Professional Liability (continued)

Professional liability insurance expenses, net of recoveries, are as follows for the years ended September 30 (in thousands):

	2011	2010
Professional liability insurance premiums, net of recoveries	**$4,084**	$5,158
Increase in reserve for incurred but not reported professional liability claims	**405**	1,765
Total	**$4,489**	$6,923

15. Fair Value of Financial Instruments

The Hospital uses the methods for calculating fair value as defined in ASC (Topic 820) to value its financial assets and liabilities, where applicable. Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. Fair value measurements are applied based on the unit of account from the reporting entity's perspective.

The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

15. Fair Value of Financial Instruments (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Hospital uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers non-performance risk in its assessment of fair value.

These financial instruments exclude investments accounted for under the equity method of approximately $327,000,000 and $246,000,000 as of September 30, 2011 and 2010, respectively.

Financial instruments carried at fair value as of September 30, 2011 and 2010, are classified in the table below in the three categories described above (in thousands):

	Level 1	Level 2	Level 3	Total
September 30, 2011				
Assets				
U.S equities	**$ 94,493**	**$ 11,882**	**$ –**	**$106,375**
Global equities	**30,798**	**69,527**	**–**	**100,325**
Investment grade fixed income	**106,589**	**69,548**	**–**	**176,137**
High yield fixed income	**–**	**19,588**	**–**	**19,588**
Global bonds fixed income	**12,797**	**–**	**–**	**12,797**
Real asset funds	**48,005**	**22,679**	**–**	**70,684**
	$292,682	**$193,224**	**$ –**	**$485,906**
Liabilities				
Interest rate swap agreements	**$ –**	**$149,484**	**$ –**	**$149,484**

	Level 1	Level 2	Level 3	Total
September 30, 2010				
Assets				
U.S equities	$ 89,222	$ 9,574	$ –	$ 98,796
Global equities	9,334	67,488	–	76,822
Investment grade fixed income	83,695	100,168	–	183,863
High yield fixed income	–	18,784	–	18,784
Global bonds fixed income	11,811	–	–	11,811
Real asset funds	37,262	20,506	–	57,768
	$231,324	$216,520	$ –	$447,844
Liabilities				
Interest rate swap agreements	$ –	$122,421	$ –	$122,421

15. Fair Value of Financial Instruments (continued)

Financial assets invested in the Hospital's defined benefit pension plans are classified in the table below in one of the three categories described above as of September 30, 2011 and 2010 (in thousands):

	Level 1	Level 2	Level 3	Total
September 30, 2011				
Assets				
U.S. equities	**$ 37,161**	**$12,534**	**$ –**	**$ 49,695**
Global equities	**24,908**	**31,011**	**–**	**55,919**
Investment grade fixed income	**81,987**	**15,817**	**–**	**97,804**
High yield fixed income	**–**	**19,338**	**–**	**19,338**
Real asset funds	**30,738**	**16,059**	**–**	**46,797**
Domestic equity hedge funds	**–**	**–**	**84,877**	**84,877**
Distressed debt hedge funds	**–**	**–**	**39,337**	**39,337**
Multi-strategy hedge funds	**–**	**–**	**18,161**	**18,161**
Private equity partnerships	**–**	**–**	**1,318**	**1,318**
	$174,794	**$94,759**	**$143,693**	**$413,246**

	Level 1	Level 2	Level 3	Total
September 30, 2010				
Assets				
U.S. equities	$ 41,756	$ 13,548	$ –	$ 55,304
Global equities	13,791	30,321	–	44,112
Investment grade fixed income	74,042	15,251	–	89,293
High yield fixed income	–	19,069	–	19,069
Real asset funds	28,057	16,225	–	44,282
Domestic equity hedge funds	–	–	86,069	86,069
Distressed debt hedge funds	–	–	38,991	38,991
Multi-strategy hedge funds	–	–	12,274	12,274
Private equity partnerships	–	–	796	796
	$157,646	$94,414	$138,130	$390,190

15. Fair Value of Financial Instruments (continued)

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2011 (in thousands):

	Level 3 Assets Year Ended September 30, 2011 Limited Partnerships
Balance, beginning of year	$138,130
Unrealized gains relating to investments still held at the reporting date	99
Purchases, sales, issuances and settlements (net)	5,464
Balance, end of year	$143,693

Assets classified as Level 1 are valued using unadjusted quoted market prices for identical assets in active markets. Level 2 assets include U.S. and global equities, fixed income securities and real asset funds. Fair value for Level 2 assets is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Fair value for Level 3 assets is determined using net asset values as a practical expedient, as permitted by generally accepted accounting principles, rather than using another valuation method to independently estimate fair value.

The Level 2 liabilities are interest rate swap agreements. The fair value of interest rate swap agreements is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields and credit spreads.

The following methods and assumptions were used in estimating the fair value of financial instruments:

Accounts payable and accrued expenses: The carrying amount reported in the balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the balance sheets for estimated third-party payor settlements approximates its fair value.

15. Fair Value of Financial Instruments (continued)

The Hospital's long-term debt obligations are reported in the accompanying balance sheets at principal value less unamortized discount or premium, which totaled approximately $666,000,000 at September 30, 2011 and 2010. The carrying value of these obligations approximated their fair value at September 30, 2011 and 2010.

The methods described above may produce a fair value that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

16. Functional Expenses

The Hospital is a multifaceted pediatric patient care provider dedicated to the improvement of the quality of life for children and their families. In its leadership role in pediatric medicine, the Hospital focuses its efforts in three major areas: patient care, research, and medical education. Expenses related to providing these services are estimated as follows for the years ended September 30 (in thousands):

	2011	2010
Patient care	**$ 925,966**	$ 922,611
Research	**289,143**	273,723
Medical education	**51,532**	51,369
Total expenses	**$1,266,641**	$1,247,703

17. Medical Resident Tax Refund

In March 2010, the Internal Revenue Service (IRS) announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act (FICA) taxes. Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college or university where the student is pursuing a course of study. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005.

Institutions are potentially eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest.

17. Medical Resident Tax Refund (continued)

For the year ended September 30, 2010, the Hospital has recorded estimated net revenue of approximately $3,500,000 related to FICA medical resident refund claims that are expected to meet the IRS requirements to be eligible for refunds. At September 30, 2010, the Hospital has recorded a receivable of approximately $7,100,000, included in other noncurrent assets, and a liability of approximately $3,600,000, included in other noncurrent liabilities, related to the portion of the refunds to be collected on behalf of, and therefore to be remitted to, the medical residents and related entities. The Hospital has established these estimates based on information presently available; the estimates are subject to change as the IRS adjudicates the claims.

18. Subsequent Events

Subsequent events have been evaluated for potential recognition in the financial statements through January 9, 2012, which is the date the financial statements were issued. No subsequent events have occurred that require disclosure in or adjustment to the financial statements.

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