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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning OCT 1, 2011 and ending SEP 30, 2012

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

C Name of organization
CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

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

F Name and address of principal officer: PEDRO J. DEL NIDO
SAME AS C ABOVE

D Employer identification number 04-2764370

E Telephone number 617-355-7008

G Gross receipts $ 12,281,782.

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 ▶

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

J Website: ▶ N/A

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: THE FOUNDATION PROVIDES CARDIOVASCULAR SERVICES, MEDICAL RESEARCH, AND EDUCATIONAL SERVICES

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	4
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	1
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	7
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0.	0.
9	Program service revenue (Part VIII, line 2g)	4,636,864.	12,106,889.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	76,255.	105,580.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	-8,203.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,713,119.	12,204,266.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	9,500.	974,900.
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)	1,882,738.	6,836,014.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	43,506.	1,357,532.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,935,744.	9,168,446.
19	Revenue less expenses. Subtract line 18 from line 12	2,777,375.	3,035,820.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	20,148,588.	28,072,012.
21	Total liabilities (Part X, line 26)	6,393,224.	8,830,071.
22	Net assets or fund balances. Subtract line 21 from line 20	13,755,364.	19,241,941.

RECEIVED
AUG 27 2013
OGDEN, UT

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

▶ PEDRO J. DEL NIDO, PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BARRY CHAIT	BARRY CHAIT	08/07/13		P01452996

Firm's name ▶ MARCUM LLP — Firm's EIN ▶ 11-1986323

Firm's address ▶ 53 STATE STREET, FLOOR 38
BOSTON, MA 02109

Phone no (617)742-9666

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

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III .. .. [X]

1 Briefly describe the organization's mission:
THE FOUNDATION PROVIDES CARDIOVASCULAR SERVICES PRIMARILY TO PATIENTS AT THE CHILDREN'S HOSPITAL IN BOSTON AND OTHER HEALTH CARE PROVIDERS AT SATELLITE LOCATIONS. THE FOUNDATION WAS ORGANIZED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES. THE FOUNDATION ALSO

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 [X] 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 [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 $ 8,144,956. including grants of $ 974,900.) (Revenue $ 11,265,087.)
THE FOUNDATION WAS ORGANIZED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES. THE FOUNDATION PROVIDES CARDIOVASCULAR SERVICES PRIMARILY TO PATIENTS AT CHILDREN'S HOSPITAL IN BOSTON AND OTHER HEALTH CARE PROVIDERS AT SATELLITE LOCATIONS. THE FOUNDATION MAY CHARGE FOR PATIENT CARE, OTHER MEDICAL SERVICES, AND RELATED PRODUCTS, PROVIDED THAT ANY NET INCOME IS USED EXCLUSIVELY FOR THE CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES FOR WHICH THE FOUNDATION WAS CREATED. THE FOUNDATION ALSO PROVIDES CARE FOR PATIENTS LOCATED IN MASSACHUSETTS IN NEED OF CARDIOVASCULAR SERVICES REGARDLESS OF THEIR ABILITY TO PAY, AS WELL AS PROVIDING AND SUBSIDIZING HOSPITAL AND COMMUNITY BASED SERVICES THAT ARE LIMITED IN THE COMMUNITY.

4b (Code _____) (Expenses $ 602,715. including grants of $ _____) (Revenue $ 833,599.)
THE FOUNDATION RECEIVES INCOME FROM CHILDREN'S HOSPITAL IN BOSTON FOR PROVIDING ADMINISTRATION, SUPERVISION, AND TEACHING SERVICES. THE PHYSICIANS EMPLOYED BY THE FOUNDATION PERFORM MEDICAL RESEARCH ACTIVITIES AND HAVE PIONEERED MANY OF THE DEVELOPMENTS IN THE FIELD, AS WELL AS LECTURE AND PUBLISH RELATED EDUCATIONAL ARTICLES. ALL OF THESE ACTIVITIES PLAY A CRITICAL ROLE IN THE TREATMENT AND RECOVERY OF PATIENTS AT THE HOSPITAL AND MAKE POSSIBLE CARDIOVASCULAR ADVANCES FOR WHICH THE HOSPITAL IS RENOWNED.

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

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

4e **Total program service expenses** ▶ 8,747,671.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
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		X
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		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
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	X	
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		X
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		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
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	X	
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		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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		X
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		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	X	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
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		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	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*	35b		X
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		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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	7		
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			
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	7		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	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			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country: ▶ _____ See 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			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to 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			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	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?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
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			X
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 line 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 X

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	4		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	1		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders? . .	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.				
a	The governing body? . . .	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
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			X

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

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

PEDRO J. DEL NIDO, MD - 617-355-8290

300 LONGWOOD AVENUE, BOSTON, MA 02115

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. 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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) PEDRO DEL NIDO, MD PRESIDENT/DIRECTOR	60.00	X		X				819,875.	0.	117,965.
(2) JOHN E. MAYER JR., MD SECRETARY/TREASURER/DIRECT	60.00	X		X				897,117.	0.	195,207.
(3) FRANK A. PIGULA, MD DIRECTOR	60.00	X						719,640.	0.	178,842.
(4) SITARAM M. EMANI DIRECTOR	60.00	X						620,805.	0.	140,147.
(5) PHYSICIANS' ORG. AT CHILDREN'S, INDEPENDENT BOARD MEMBER	2.00		X					0.	0.	0.
(6) CHRISTOPHER J. BAIRD, MD PHYSICIAN	60.00					X		530,476.	0.	49,817.

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
1b Sub-total ▶								3,587,913.	0.	681,978.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								3,587,913.	0.	681,978.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 5

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
HART ASSOCIATES 3 ALLIED DRIVE, SUITE 312, DEDHAM, MA 02026	MEDICAL BILLING SERVICE	167,813.
MEDPRO MEDICAL MANAGEMENT, 54 MAIN STREET, SUITE 10, LAKEVILLE, MA 02347	MEDICAL BILLING SERVICE	108,684.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 2

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f	▶				
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENU	621300	11253528.	11253528.		
	b EDUCATION AND RESEARCH	611710	853,361.	853,361.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f	▶	12106889.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶	183,096.			183,096.
	4 Income from investment of tax-exempt bond proceeds	▶				
	5 Royalties	▶				
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)	▶				
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses	77,516.				
	c Gain or (loss)	-77,516.				
	d Net gain or (loss)	▶	-77,516.			-77,516.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events	▶				
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities	▶				
	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 MISCELLANEOUS INCOME	621300	-8,203.	-8,203.		
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d	▶	-8,203.			
	12 **Total revenue.** See instructions	▶	12204266.	12098686.	0.	105,580.

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).

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

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 United States See Part IV, line 21	974,900.	974,900.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,001,737.	3,001,737.		
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	1,413,468.	1,413,468.		
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	757,428.	757,428.		
9 Other employee benefits	1,568,094.	1,568,094.		
10 Payroll taxes	95,287.	95,287.		
11 Fees for services (non-employees):				
a Management				
b Legal	56,634.		56,634.	
c Accounting	26,298.		26,298.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	52,165.		52,165.	
g Other	276,497.		276,497.	
12 Advertising and promotion	265.	265.		
13 Office expenses	238,492.	238,492.		
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	100,253.	100,253.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	91,960.	91,960.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,181.		9,181.	
23 Insurance	243,803.	243,803.		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a TUITION REIMBURSEMENT	171,304.	171,304.		
b BAD DEBT EXPENSE	56,976.	56,976.		
c MEDICAL SUPPLIES	36,364.	36,364.		
d PARKING EXPENSE	24,483.	24,483.		
e All other expenses	-27,143.	-27,143.		
25 **Total functional expenses.** Add lines 1 through 24e	9,168,446.	8,747,671.	420,775.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ If following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		3,076,542.	1	8,011,480.
	2	Savings and temporary cash investments		3,012,414.	2	3,129,816.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,810,176.	4	1,767,202.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		23,182.	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)			6	
	7	Notes and loans receivable, net		89,590.	7	50,000.
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		247,957.	9	1,075,704.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 217,854.			
	b	Less: accumulated depreciation	10b 209,071.	17,964.	10c	8,783.
	11	Investments - publicly traded securities		6,899,838.	11	8,425,694.
	12	Investments - other securities. See Part IV, line 11		4,911,223.	12	5,479,305.
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		59,702.	15	124,028.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		20,148,588.	16	28,072,012.
Liabilities	17	Accounts payable and accrued expenses		87,416.	17	797,854.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		6,305,808.	25	8,032,217.
	26	**Total liabilities.** Add lines 17 through 25		6,393,224.	26	8,830,071.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		12,369,813.	27	18,113,508.
	28	Temporarily restricted net assets		1,385,551.	28	1,128,433.
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		13,755,364.	33	19,241,941.
	34	Total liabilities and net assets/fund balances		20,148,588.	34	28,072,012.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	12,204,266.
2	Total expenses (must equal Part IX, column (A), line 25)	2	9,168,446.
3	Revenue less expenses. Subtract line 2 from line 1	3	3,035,820.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,755,364.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,450,757.
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	19,241,941.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . [X]

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

Form 990 (2011)

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	**Employer identification number**
CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.	04-2764370

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 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									

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Schedule A (Form 990 or 990-EZ) 2011

132021
01-24-12

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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2011.** 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 - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10% -facts-and-circumstances test - 2011.** 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 - 2010.** 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")		1600000.				1600000.
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	9673300.	9830672.	10401114.	4636864.	12106889.	46648839.
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	9673300.	11430672.	10401114.	4636864.	12106889.	48248839.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 **Public support** (Subtract line 7c from line 6)						48248839.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	9673300.	11430672.	10401114.	4636864.	12106889.	48248839.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	308,573.	256,686.	198,824.	76,255.	183,096.	1023434.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	308,573.	256,686.	198,824.	76,255.	183,096.	1023434.
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.)					-8,203.	-8,203.
13 **Total support** (Add lines 9, 10c, 11, and 12)	9981873.	11687358.	10599938.	4713119.	12281782.	49264070.

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	97.94 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	97.29 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	2.08 %
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	2.71 %

19a **33 1/3% support tests - 2011.** 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 - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

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

PART III, SECTIONS A AND B

THE AMOUNTS SHOWN IN COLUMN (D) ARE FOR THE SHORT YEAR PERIOD OF THIS RETURN (JUNE 1, 2011 - SEPTEMBER 30, 2011). AMOUNTS SHOWN IN COLUMN (C) ARE FOR THE CALENDAR YEAR 2010; AMOUNTS SHOWN IN COLUMN (B) ARE FOR THE CALENDAR YEAR 2009; AMOUNTS SHOWN IN COLUMN (A) ARE FOR THE CALENDAR YEAR 2008.

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number 04-2764370

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

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

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

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

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

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

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958), 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 (ASC 958) relating to these items:

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

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

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

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

a ☐ Public exhibition
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	1,385,551.	1,462,305.	1,574,553.		
b	Contributions				1,600,000.	
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs	257,118.	76,754.	112,248.	25,447.	
f	Administrative expenses					
g	End of year balance	1,128,433.	1,385,551.	1,462,305.	1,574,553.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ .00 %
b Permanent endowment ▶ .00 %
c Temporarily restricted endowment ▶ 100.00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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)	X
(ii)	related organizations	3a(ii)	X
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 Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land				
b	Buildings				
c	Leasehold improvements				
d	Equipment		217,854.	209,071.	8,783.
e	Other				

Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶ 8,783.

Schedule D (Form 990) 2011

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		
(3) Other		
(A) INTEREST IN THE PO FUND	5,479,305.	END-OF-YEAR MARKET VALUE
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12) ▶	5,479,305.	

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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must 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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO CHILDREN'S HOSPITAL	899,108.
(3) DUE TO PHYSICIANS' ORGANIZATION	40,995.
(4) PATIENT DEPOSITS	980,798.
(5) ACCRUED PENSION OBLIGATION -	
(6) PROFIT SHARING	245,001.
(7) ACCRUED SERP OBLIGATIONS	5,341,339.
(8) DEFERRED COMPENSATION PLAN	201,897.
(9) ACCRUED PROFESSIONAL LIABILITY	323,079.
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	8,032,217.

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 (ASC 740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	12,204,266.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	9,168,446.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	3,035,820.
4	Net unrealized gains (losses) on investments	4	1,399,759.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	1,050,998.
9	Total adjustments (net). Add lines 4 through 8	9	2,450,757.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	5,486,577.

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	12,307,032.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d	257,118.		
e	Add lines 2a through 2d			2e	257,118.
3	Subtract line 2e from line 1			3	12,049,914.
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	154,352.		
c	Add lines 4a and 4b			4c	154,352.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	12,204,266.

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

1	Total expenses and losses per audited financial statements			1	9,111,470.
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	9,111,470.
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	56,976.		
c	Add lines 4a and 4b			4c	56,976.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	9,168,446.

Part XIV Supplemental Information

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

PART V, LINE 4: ASSETS LIMITED TO USE REPRESENT INVESTMENTS HELD IN TRUST THAT ARE AVAILABLE TO PAY FOR FUTURE BENEFITS TO PARTICIPANTS OF THE DEFERRED COMPENSATION PLANS AND INVESTMENTS WHOSE USE HAS BEEN RESTRICTED BY DONORS TO A SPECIFIC TIME PERIOD OR PURPOSE.

PART X, LINE 2: THE FOUNDATION IS A TAX-EXEMPT CORPORATION AS DESCRIBED IN SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF

Part XIV Supplemental Information *(continued)*

THE CODE. IN ADDITION, THE FOUNDATION QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170(B)(1)(A) AND HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A)(2). TAX-EXEMPT ORGANIZATIONS COULD BE REQUIRED TO RECORD AN OBLIGATION FOR INCOME TAXES AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS INCLUDING UNRELATED BUSINESS INCOME OR TAX STATUS. THE FOUNDATION HAS EVALUATED THE POSITION TAKEN ON ITS FILED TAX RETURNS. THE FOUNDATION HAS CONCLUDED THAT NO UNCERTAIN INCOME TAX POSITIONS EXIST AT SEPTEMBER 30, 2012. THE FOUNDATION'S TAX YEARS FROM 2009 THROUGH 2012 ARE POTENTIALLY SUBJECT TO EXAMINATION.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN LIMITED LIABILITY PARTNERSHIP INTEREST	568,378.
PENSION ADJUSTMENT	482,620.
TOTAL TO SCHEDULE D, PART XI, LINE 8	1,050,998.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

NET ASSETS RELEASED FROM RESTRICTION	257,118.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

INVESTMENT INCOME	183,095.
NON-OPERATING INCOME(LOSS)	-8,203.
INVESTMENT LOSS	-77,516.
BAD DEBT EXPENSE	56,976.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	154,352.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

Part XIV Supplemental Information *(continued)*

CHANGE IN LIMITED LIABILITY PARTNERSHIP INTEREST

PENSION ADJUSTMENT

NET ASSETS RELEASED FROM RESTRICTION

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

BAD EXPENSE	56,976.

PART X, FIN 48 FOOTNOTE:

THE FOUNDATION IS A TAX-EXEMPT CORPORATION AS DESCRIBED IN SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE. IN ADDITION, THE FOUNDATION QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170(B)(1)(A) AND HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A)(2). TAX-EXEMPT ORGANIZATIONS COULD BE REQUIRED TO RECORD AN OBLIGATION FOR INCOME TAXES AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS INCLUDING UNRELATED BUSINESS INCOME OR TAX STATUS. THE FOUNDATION HAS EVALUATED THE POSITION TAKEN ON ITS FILED TAX RETURNS. THE FOUNDATION HAS CONCLUDED THAT NO UNCERTAIN INCOME TAX POSITIONS EXIST AT SEPTEMBER 30, 2012. THE FOUNDATION'S TAX YEARS FROM 2009 THROUGH 2012 ARE POTENTIALLY SUBJECT TO EXAMINATION.

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

2011

Open to Public Inspection

Name of the organization CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number 04-2764370

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? . . . . . [X] 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 section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CHILDREN'S HOSPITAL BOSTON 300 LONGWOOD AVENUE BOSTON, MA 02115	04-2774441	501(C)(3)	534,400.	0.	N/A	N/A	GENERAL SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 1.

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule I (Form 990) (2011)**

132101 01-27-12

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. Part III can be duplicated if additional space is needed.

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

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

SCHEDULE I, PART I, LINE 2: MONITORING IS PROVIDED BY THE CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC. (THE "FOUNDATION") THROUGH OVERSIGHT OF THE TERMS AND CONDITIONS OF A WRITTEN GRANT AGREEMENT. MULTI-YEAR AGREEMENTS REQUIRE YEARLY PROGRESS AND FINANCIAL REPORTS FOR CONTINUATION OF FUNDING. DURING THE YEAR ENDED SEPTEMBER 30, 2012, THE FOUNDATION ONLY PROVIDED GRANT DONATIONS TO OTHER 501(C)(3) ORGANIZATIONS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number: 04-2764370

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain — 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 filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III. ☒ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☒ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? — 4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? — 4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? — 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? — 5a		X
b	Any related organization? — 5b		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? — 6a		X
b	Any related organization? — 6b		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III — 7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III — 8		X
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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PEDRO DEL NIDO, MD	(i)	819,875.	0.	0.	0.	117,965.	937,840.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 JOHN E. MAYER JR., MD	(i)	897,117.	0.	0.	0.	195,207.	1,092,324.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 FRANK A. PIGULA, MD	(i)	719,640.	0.	0.	0.	178,842.	898,482.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 SITARAM M. EMANI	(i)	620,805.	0.	0.	0.	140,147.	760,952.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 CHRISTOPHER J. BAIRD, MD	(i)	530,476.	0.	0.	0.	49,817.	580,293.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B: THE FOUNDATION HAS A DEFERRED COMPENSATION ARRANGEMENT UNDER A NONQUALIFIED DEFINED CONTRIBUTION PLAN TO PROVIDE SUPPLEMENTAL RETIREMENT BENEFITS TO CERTAIN EMPLOYEES. THE EMPLOYEES WHO PARTICIPATED WERE:

PEDRO DEL NIDO, MD	$15,500
JOHN MAYER, JR., MD	$15,500
FRANK A. PIGULA, MD	$15,500
CHRISTOPHER BAIRD, MD	$15,500

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

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

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization: CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number: 04-2764370

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) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
SITAREM EMANI - E		X	89,590.	89,590.		X	X		X	
Total			▶ $	89,590.						

Part III Grants or Assistance Benefiting Interested Persons.

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

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

SEE PART V FOR CONTINUATIONS

Part IV Business Transactions Involving Interested Persons.

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

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

Part V Supplemental Information

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

SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:

(A) NAME OF PERSON: SITAREM EMANI

(A) PURPOSE OF LOAN: EMPLOYEE LOAN

(B) LOAN TO OR FROM ORGANIZATION? = FROM

(C) ORIGINAL PRINCIPAL AMOUNT $ 89,590. (D) BALANCE DUE $ 89,590.

(E) LOAN IN DEFAULT? = NO

(F) APPROVED BY BOARD OR COMMITTEE? = YES

(G) WRITTEN AGREEMENT? = YES

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2011 Open to Public Inspection

Name of the organization	Employer identification number
CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.	04-2764370

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

TO THE CHILDREN'S HOSPITAL IN BOSTON. THE FOUNDATION ALSO PROVIDES CARE FOR PATIENTS LOCATED IN MASSACHUSETTS REGARDLESS OF THEIR ABILITY TO PAY, AS WELL AS PROVIDING AND SUBSIDIZING HOSPITAL AND COMMUNITY BASED SERVICES THAT ARE EITHER UNAVAILABLE OR LIMITED ELSEWHERE IN THE COMMUNITY.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PROVIDES CARE FOR PATIENTS LOCATED IN MASSACHUSETTS IN NEED OF CARDIOVASCULAR SERVICES, REGARDLESS OF THEIR ABILITY TO PAY.

FORM 990, PART VI, SECTION A, LINE 1: A MAJORITY OF THE FOUNDATION'S BOARD MEMBERS ARE PHYSICIANS WHO ARE NOT INDEPENDENT FROM THE FOUNDATION. HOWEVER, THE FOUNDATION PARTICIPATES IN AN INTEGRATED DELIVERY SYSTEM WITH THE CHILDREN'S HOSPITAL OF BOSTON (THE HOSPITAL), WHICH DOES HAVE A COMMUNITY BOARD. THE FOUNDATION WAS ORGANIZED IN 1982. AT THAT TIME, THE BOARD WAS COMPOSED ENTIRELY OF PHYSICIANS, A BOARD STRUCTURE THAT WAS APPROVED BY THE INTERNAL REVENUE SERVICE. THE FOUNDATION HAS SINCE ADJUSTED THE BOARD STRUCTURE TO MAKE IT MORE RESPONSIVE TO THE HOSPITAL BY ADDING THE PHYSICIANS' ORGANIZATION (THE PO) AS A MEMBER. SEE SCHEDULE O, PART VI, QUESTION 3, 6, 7B AND 12 FOR MORE DETAILS ON THE PO'S RIGHTS.

FORM 990, PART VI, SECTION A, LINE 3: THE PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL BOSTON (THE PO) IS A CLASS "C" MEMBER OF CHMC CARDIOVASCULAR SURGICAL FOUNDATION (THE FOUNDATION). THE PO IS RESPONSIBLE FOR ALL THIRD PARTY CONTRACTING FOR THE FOUNDATION. THE PO HAS THE POWER

TO SELECT THE INDEPENDENT AUDITOR AND LEGAL COUNSEL OF THE FOUNDATION FROM AN APPROVED LIST OF FIRMS MUTUALLY AGREED TO BY THE PO AND THE FOUNDATION. THE PO ALSO HAS THE RIGHT TO REVIEW, BUT NOT TO APPROVE, THE ANNUAL OPERATING BUDGET AND ALL CAPITAL BUDGETS OF THE FOUNDATION. LASTLY, THE PO HAS THE RIGHT TO REVIEW FOR COMPLIANCE WITH APPLICABLE LAW, THE GENERAL TERMS OF AND ANY MODIFICATION TO PHYSICIAN COMPENSATION AND BENEFIT PLANS FOR ALL PHYSICIAN EMPLOYEES OF THE FOUNDATION. THE PO IS CONSIDERED THE COMPENSATION COMMITTEE OF THE FOUNDATION.

FORM 990, PART VI, SECTION A, LINE 6: THE CHMC CARDIOVASCULAR SURGICAL FOUNDATION HAS THREE CLASSES OF MEMBERS. THE CHIEF OF THE DEPARTMENT OF ORTHOPAEDIC SURGERY (FOUNDATION) OF THE CHILDREN'S HOSPITAL IN BOSTON IS A CLASS "A" MEMBER. EACH PERSON WHO IS A MEMBER OF THE FOUNDATION, OTHER THAN THE CHIEF OF THE FOUNDATION, MAY BECOME A CLASS "B" MEMBER OF THE FOUNDATION, UPON RECOMMENDATION BY THE CLASS "A" MEMBER AND APPROVAL OF THE CLASS "B" MEMBERS. THE PHYSICIANS' ORGANIZATION AT CHMC HOSPITAL BOSTON IS A CLASS "C" MEMBER OF CHILDREN'S CARDIOVASCULAR SURGICAL FOUNDATION.

FORM 990, PART VI, SECTION A, LINE 7A: ACCORDING TO THE ARTICLES OF ORGANIZATION, THE CHIEF OF THE DEPARTMENT OF CARDIOVASCULAR SURGERY OF CHILDREN'S HOSPITAL IS THE CLASS "A" MEMBER OF CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC. (THE FOUNDATION). EACH PERSON WHO IS A MEMBER OF THE FOUNDATION, OTHER THAN THE CHIEF OF THE DEPARTMENT, IS A CLASS "B" MEMBER OF THE FOUNDATION. THE CLASS "A" AND CLASS "B" MEMBERS OF THE FOUNDATION ELECT THE BOARD OF DIRECTORS FROM NOMINEES PRESENTED BY THE EXECUTIVE COMMITTEE AT THEIR ANNUAL MEETING. EACH MEMBER IS ENTITLED TO ONE VOTE UPON ANY QUESTION AT ANY MEETING OF THE MEMBERS.

Name of the organization CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number 04-2764370

FORM 990, PART VI, SECTION A, LINE 7B: THE PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL BOSTON (THE PO) IS A CLASS "C" MEMBER OF CHILDREN'S HOSPITAL CARDIOVASCULAR SURGICAL FOUNDATION, INC. (THE FOUNDATION). THE PO IS RESPONSIBLE FOR ALL THIRD PARTY CONTRACTING FOR THE FOUNDATION. THE PO HAS THE POWER TO SELECT THE INDEPENDENT AUDITOR AND LEGAL COUNSEL OF THE FOUNDATION FROM AN APPROVED LIST OF FIRMS MUTUALLY AGREED TO BY THE PO AND THE FOUNDATION. THE PO ALSO HAS THE RIGHT TO REVIEW, BUT NOT TO APPROVE, THE ANNUAL OPERATING BUDGET AND ALL CAPITAL BUDGETS OF THE FOUNDATION. LASTLY, THE PO HAS THE RIGHT TO REVIEW FOR COMPLIANCE WITH APPLICABLE LAW, THE GENERAL TERMS OF AND ANY MODIFICATION TO PHYSICIAN COMPENSATION AND BENEFIT PLANS FOR ALL PHYSICIAN EMPLOYEES OF THE FOUNDATION. THE PO IS CONSIDERED THE COMPENSATION COMMITTEE OF THE FOUNDATION. AS A CLASS "C" MEMBER OF THE FOUNDATION, THE PO ATTENDS THE FOUNDATION'S ANNUAL MEETING AND HAS CERTAIN VOTING RIGHTS. THE PO AS A CLASS "C" MEMBER HAS ONE OF FOUR VOTES.

FORM 990, PART VI, SECTION B, LINE 11: THE DETAILED REVIEW WILL BE CONDUCTED BY THE PRESIDENT OF THE FOUNDATION, PEDRO J. DEL NIDO, AND THE ADMINISTRATOR, JANET HORGAN. AN ELECTRONIC COPY WILL BE PROVIDED TO THE BOARD ALONG WITH A HARD COPY OF FORM 990 PRIOR TO FILING. THE DETAILED REVIEW WILL BE CONDUCTED BEFORE FILING THE RETURN WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C: THE PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL BOSTON (THE PO) ADMINISTERS AN ANNUAL CONFLICT OF INTEREST DISCLOSURE PROCESS TO ALL OF ITS MEMBER FOUNDATIONS, WHICH ASKS PHYSICIANS (OFFICERS, TOP MANAGEMENT, AND HIGHLY COMPENSATED EMPLOYEES) AND SELECTED FOUNDATION STAFF TO DISCLOSE POTENTIAL CONFLICTS. A DISCLOSURE

STATEMENT WILL BE CIRCULATED ANNUALLY TO MEMBERS OF THE PO. THE PO AUDIT COMMITTEE SHALL DETERMINE THOSE INDIVIDUALS (INCLUDING MEDICAL STAFF MEMBERS) WHO SHALL BE REQUIRED TO COMPLETE THE DISCLOSURE STATEMENT. THE PO AUDIT COMMITTEE, AT ITS DISCRETION, MAY EITHER 1) REFER ANY OR ALL STATEMENTS TO THE BOARD OF DIRECTORS, 2) APPOINT AN AD HOC COMMITTEE TO REVIEW AND RESOLVE ANY CONFLICTS OF INTEREST ISSUES, OR 3) REVIEW AND RESOLVE ANY CONFLICTS OF INTEREST PERSONALLY OR THROUGH A DESIGNEE(S). ANY PERSON NOT RECEIVING A DISCLOSURE STATEMENT HAS AN AFFIRMATIVE OBLIGATION TO DISCLOSE TO THE PO PRESIDENT, PO GENERAL COUNSEL, OR HIS/HER SUPERVISOR WHENEVER HE/SHE BELIEVES HE/SHE HAS OR MAY HAVE A CONFLICT OF INTEREST. SIMILARLY, EACH PERSON COMPLETING A DISCLOSURE STATEMENT HAS AN AFFIRMATIVE OBLIGATION TO UPDATE THE STATEMENT ANY TIME CIRCUMSTANCES CHANGE AND/OR HE/SHE BELIEVES THAT A CONFLICT OF INTEREST MAY EXIST. IN THE EVENT A CONFLICT OF INTEREST IS FOUND TO EXIST, THE FOUNDATION PROHIBITS THE MEMBER FROM VOTING ON ANY MATTER TO WHICH THE CONFLICT RELATES OR OTHERWISE INFLUENCE THE VOTING ON SUCH MATTER.

FORM 990, PART VI, SECTION B, LINE 15: ALL THE PHYSICIANS (TOP MANAGEMENT, OFFICERS, AND HIGHLY COMPENSATED INDIVIDUALS) FALL UNDER COMPENSATION GUIDELINES DETERMINED BY HARVARD UNIVERSITY WITH LIMITATIONS ESTABLISHED FOR CERTAIN POSITIONS/RANKS WITHIN THE MEDICAL SCHOOL. ANNUALLY, COMPENSATION IS REVIEWED AND REPORTED TO THE HOSPITAL'S BOARD OF TRUSTEES TO ENSURE THAT TOTAL DIRECT AND INDIRECT COMPENSATION DOES NOT EXCEED THE PRE-DETERMINED GUIDELINES OF HARVARD UNIVERSITY. ANY NEW INDIRECT BENEFIT PLAN REQUIRES APPROVAL BY THE FOUNDATION'S BOARD OF DIRECTORS, WHICH THEN MUST BE REVIEWED AND PERMITTED BY THE HOSPITAL. MAJOR PROCEDURES OF THE APPROVAL PROCESS INVOLVE: COMPARING COMPENSATION DATA OF PHYSICIANS WITHIN THE COMPARABLE FIELD OF MEDICINE; INDIRECT COMPENSATION CURRENTLY BEING

Name of the organization CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number 04-2764370

OFFERED; AND THE FINANCIAL STABILITY OF THE FOUNDATION. THE PROCESS WAS FOLLOWED FOR THE YEAR ENDED SEPTEMBER 30, 2011. THE PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL BOSTON (THE PO) IS CONSIDERED THE COMPENSATION COMMITTEE OF THE FOUNDATION.

FORM 990, PART VI, SECTION C, LINE 19: THE FOUNDATION MAINTAINS ALL FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICIES, AND GOVERNING DOCUMENTS AT ITS MAIN OFFICE AT 300 LONGWOOD AVENUE, FEGAN 3, BOSTON, MA 02115. THE DOCUMENTS ARE AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	1,399,759.
CHANGE IN LIMITED LIABILITY PARTNERSHIP INTEREST	568,378.
PENSION ADJUSTMENT	482,620.
TOTAL TO FORM 990, PART XI, LINE 5	2,450,757.

PART XII, QUESTION 2C

THE AUDIT PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

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

2011

Open to Public Inspection

Name of the organization: CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Employer identification number: 04-2764370

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to 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" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
CHILDREN'S HOSPITAL CORPORATION - 04-2774441 300 LONGWOOD AVENUE BOSTON, MA 02115	HOSPITAL	MASSACHUSETTS	501(C)(3)	LINE 3	N/A		X
PHYSICIANS' ORG. AT CHILDREN'S HOSPITAL - 04-3266103, 300 LONGWOOD AVENUE, BOSTON, MA 02115	PHYSICIAN ORGANIZATION	MASSACHUSETTS	501(C)(3)	LINE 11A, I	N/A		X

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

Schedule R (Form 990) 2011

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

(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

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

(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

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

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

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

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	CHILDREN'S HOSPITAL	C	469,182.	FMV
(2)	CHILDREN'S HOSPITAL	R	208,565.	FMV
(3)	CHILDREN'S HOSPITAL	O	1,921,701.	FMV
(4)	PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL	D	40,995.	FMV
(5)	PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL	M	144,615.	FMV
(6)	CHILDREN'S HOSPITAL	E	899,108.	FMV

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) CHILDREN'S HOSPITAL	B	34,400.	FMV
(8) PHYSICIANS' ORGANIZATION AT CHILDREN'S HOSPITAL	M	5,479,601.	FMV
(9) CHILDREN'S HOSPITAL	N	1,603,988.	FMV
(10) CHILDREN'S HOSPITAL	D	79,028.	FMV
(11) BOSTON CHILDREN'S HEART FOUNDATION, INC.	D	45,000.	FMV
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec 501(c)(3) orgs? Yes	(e) No	(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

Part VII Supplemental Information

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

Form **8868** (Rev. January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☑
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	CHMC Cardiovascular Surgical Foundation, Inc.	☑ 04-2764370
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	300 Longwood Avenue	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Boston, MA 02115	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Pedro J. Del Nido, MD, 300 Longwood Avenue, Boston, MA 02115

Telephone No. ▶ 617-355-8290 FAX No. ▶ N/A

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A . If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 20 13, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☑ tax year beginning October 1, 20 11, and ending September 30, 20 12.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . ▶ ☑

Note. *Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

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

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. CHMC Cardiovascular Surgical Foundation, Inc.	Employer identification number (EIN) or ☑ 04-2764370
	Number, street, and room or suite no. If a P.O. box, see instructions. 300 Longwood Avenue	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Boston, MA 02115	

Enter filer's identifying number, see instructions.

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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

• The books are in the care of ▶ Pedro J. del Nido, MD, 300 Longwood Avenue, Boston, MA 02115

Telephone No ▶ 617-355-8290 FAX No. ▶ N/A

• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A . If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until August 15, 20 13.

5 For calendar year ____, or other tax year beginning October 1, 20 11, and ending September 30, 20 12.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension We are in the process of compiling all of the necessary documentation to ensure that we file an accurate and complete return.

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

Signature and Verification must be completed for Part II only.

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

Signature ▶ [signature] Title ▶ Date ▶ 5/6/13

CHMC Cardiovascular Surgical Foundation, Inc.

Financial Statements and Additional Information

Year Ended September 30, 2012 and
Four Months Ended September 30, 2011
With Independent Auditors' Report

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Financial Statements and Additional Information

Year Ended September 30, 2012 and Four Months Ended September 30, 2011

Contents

INDEPENDENT AUDITORS' REPORT

Board of Directors
CHMC Cardiovascular Surgical Foundation, Inc.

We have audited the accompanying statements of financial position of CHMC Cardiovascular Surgical Foundation, Inc. (the Foundation) as of September 30, 2012 and 2011, and the related statements of operations and changes in net assets, and cash flows for the year ended September 30, 2012 and four months ended September 30, 2011. These financial statements are the responsibility of the Foundation'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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 CHMC Cardiovascular Surgical Foundation, Inc. as of September 30, 2012 and 2011, and the results of its operations, changes in its net assets, and its cash flows for the year ended September 30, 2012 and four months ended September 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Boston, Massachusetts
December 19, 2012

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Statements of Financial Position

September 30, 2012 and 2011

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 8,011,476**	$ 3,076,542
Investments	**10,363,150**	8,594,532
Accounts receivable, net of uncollectible accounts of $368,309 in 2012 and $460,000 in 2011	**1,767,202**	1,810,176
Due from Children's Hospital	**79,028**	14,702
Due from affiliate	**45,000**	45,000
Notes receivable – current	**30,000**	30,000
Prepaid expenses	**333,557**	247,957
Total current assets	**20,629,413**	13,818,909
Assets limited as to use:		
Board designated	**5,543,236**	4,843,392
Restricted funds – Children's Hospital initiatives	**1,128,433**	1,385,551
	6,671,669	6,228,943
Property and equipment, net	**8,783**	17,964
Prepaid pension obligation	**742,147**	–
Notes receivable	**20,000**	82,772
Total assets	**$28,072,012**	$20,148,588
Liabilities and net assets		
Current liabilities:		
Accounts payable and other accrued expenses	**$ 797,854**	$ 87,416
Due to Children's Hospital	**899,108**	179,196
Due to Physicians' Organization	**40,995**	25,141
Patient deposits	**980,798**	766,673
Total current liabilities	**2,718,755**	1,058,426
Accrued professional liability	**323,079**	358,317
Accrued pension obligation – profit sharing	**245,001**	78,902
Accrued pension obligation – defined benefit	**–**	54,187
Accrued severance benefit and SERP obligations	**5,341,339**	4,703,527
Deferred compensation plan	**201,897**	139,865
Total liabilities	**8,830,071**	6,393,224
Net assets:		
Unrestricted	**18,113,508**	12,369,813
Temporarily restricted	**1,128,433**	1,385,551
Total net assets	**19,241,941**	13,755,364
Total liabilities and net assets	**$28,072,012**	$20,148,588

See accompanying notes.

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Statements of Operations and Changes in Net Assets

Year Ended September 30, 2012 and Four Months Ended September 30, 2011

	2012	2011
Patient service revenue, net of contractual allowances and discounts	**$11,253,528**	$ 4,472,945
Less provision for bad debt	**56,976**	176,091
Net patient service revenue	**11,196,552**	4,296,854
Other revenues:		
Teaching, administration, and supervision revenue	**469,182**	90,855
Service, research, and other miscellaneous revenue	**384,179**	139,104
Net assets released from restrictions	**257,118**	76,755
Total revenues	**12,307,031**	4,603,568
Operating expenses:		
Physicians' expenses and hospital charges	**7,042,389**	1,427,108
General and administrative expenses	**1,110,347**	412,910
Contributions – Children's Hospital	**954,400**	7,000
Research	**4,334**	3,775
Total operating expenses	**9,111,470**	1,850,793
Operating income	**3,195,561**	2,752,775
Nonoperating gains (losses):		
Investment income	**183,095**	76,255
Net realized and unrealized gains (losses) on investments	**1,322,244**	(1,282,263)
Change in P.O. Pooled Investment Fund	**568,378**	(499,672)
Other (loss) income	**(8,203)**	25,100
Total nonoperating gains (losses)	**2,065,514**	(1,680,580)
Excess of revenues over expenses	**5,261,075**	1,072,195
Pension adjustment	**482,620**	(1,135,210)
Increase (decrease) in unrestricted net assets	**5,743,695**	(63,015)
Temporarily restricted net assets:		
Net assets released from restrictions	**(257,118)**	(76,755)
Decrease in temporarily restricted net assets	**(257,118)**	(76,755)
Increase (decrease) in net assets	**5,486,577**	(139,770)
Net assets at beginning of year	**13,755,364**	13,895,134
Net assets at end of year	**$19,241,941**	$13,755,364

See accompanying notes.

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Statements of Cash Flows

Year Ended September 30, 2012 and Four Months Ended September 30, 2011

	2012	2011
Operating activities		
Increase (decrease) in net assets	**$ 5,486,577**	$ (139,770)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net realized and unrealized losses on investments	**(1,322,244)**	1,282,263
Pension adjustment	**(482,620)**	1,135,210
Change in P.O. Pooled Investment Fund	**(568,082)**	499,672
Forgiveness of employee notes receivable	**30,000**	25,000
Depreciation	**9,181**	6,029
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Investments classified as trading	**121,708**	(511,149)
Accounts receivable, net	**42,974**	(477,737)
Due from Children's Hospital	**(64,326)**	25,588
Due from affiliate	**–**	(45,000)
Prepaid expenses	**(85,600)**	63,092
Prepaid pension obligation	**(742,147)**	1,173,739
Increase (decrease) in liabilities:		
Accounts payable and other accrued expenses	**710,438**	(7,315)
Due to Children's Hospital	**719,912**	(231,989)
Due to Physicians' Organization	**15,854**	(91,669)
Accrued professional liability	**(35,238)**	–
Accrued pension obligations	**594,532**	(1,178,341)
Accrued SERP obligation	**637,812**	(613,361)
Deferred compensation	**62,032**	5
Patient deposits	**214,125**	442,788
Net cash provided by operating activities	**5,344,888**	1,357,055
Investing activities		
Increase (decrease) in assets limited as to use	**(442,726)**	690,111
Notes receivable – employees	**32,772**	5,411
Net cash (used) provided by investing activities	**(409,954)**	695,522
Increase in cash and cash equivalents	**4,934,934**	2,052,577
Cash and cash equivalents at beginning of year	**3,076,542**	1,023,965
Cash and cash equivalents at end of year	**$ 8,011,476**	$ 3,076,542

See accompanying notes.

1. Summary of Significant Accounting Policies

Nature of the Foundation

The CHMC Cardiovascular Surgical Foundation, Inc. (the Foundation), located in Boston, Massachusetts, was incorporated on August 1, 1982, as a not-for-profit corporation, under Massachusetts General Laws, Chapter 180. It is an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Foundation was organized for, and operates exclusively for, the benefit of Children's Hospital (the Hospital) and the Harvard Medical School (Harvard). The Foundation is subject to established policies, practices, and procedures of the Hospital and Harvard.

Organized exclusively for charitable, scientific, and educational purposes, the Foundation provides cardiovascular surgical services primarily to patients of the Hospital, and of other health care providers at other locations. The Foundation carries on and promotes basic and applied medical research and education in the field of cardiovascular surgery by teaching students and other medical and scientific personnel; by providing or supplementing income to research personnel through fellowships, research grants, and stipends; and by giving lectures and publishing information concerning problems and research results in the field of pediatric cardiovascular surgery in order to educate the general public and the medical profession.

The Foundation may charge for patient care, other medical services, and related products, provided that any net income be used exclusively for the charitable, scientific, and educational purposes for which the Foundation was created. The Foundation accommodates patients from around the world, but patients are primarily from the Northeast.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include financial instruments with original maturities of less than 90 days, excluding amounts included in assets limited as to use. The Foundation maintains cash balances with financial institutions that may exceed federal depository insurance limits; however, management believes the credit risk related to these financial institutions is minimal. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant risk at September 30, 2012.

1. **Summary of Significant Accounting Policies (continued)**

Investments and Investment Income

The Foundation classifies its investments as trading, with investment income (including realized and unrealized gains and losses on investments, interest, and dividends) included in the excess of revenues over expenses unless the income is restricted by donor or law. Investments in marketable equity and debt securities and mutual funds are carried at quoted market values of the investments at the statements of financial position date.

Investments include amounts invested in the P.O. Pooled Investment Fund. The Foundation's policy is to record its ownership interest in these investments using the equity method of accounting. Under the equity method, the Foundation recognizes its share of the increase or the decrease of the fund's fair value as a nonoperating gain or loss.

Investments, in general, are exposed to various risks such as interest rates, credit and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and such amounts could materially affect the amounts reported in the statements of financial position, operations and changes in net assets.

Assets Limited as to Use

Assets limited as to use represent investments held in trust that are available to pay for future benefits to participants of the supplemental executive retirement and deferred compensation plans and investments whose use has been restricted by donors to a specific time period or purpose.

Property and Equipment

Property and equipment are recorded at cost, or in the case of gifts, at fair value when received. Expenditures for maintenance and repairs are charged against operations. Certain equipment purchases are donated to the Hospital and charged against operations. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Estimated lives will vary by asset category.

Income Taxes

The Foundation is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A), and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Management of the Foundation has evaluated the positions taken on the Foundation's filed tax returns and has concluded that no uncertain income tax positions exist at September 30, 2012. The Foundation's tax years from 2009 through 2012 are potentially subject to examination.

1. Summary of Significant Accounting Policies (continued)

Patient Deposits

Patient deposits represent deposits received in the current year for services to be performed subsequent to the fiscal year ended.

Professional Liability

The Foundation and its physicians/employees are insured against professional liability by Controlled Risk Insurance Company, Ltd. (CRICO), a corporation formed and wholly owned by the Harvard-affiliated medical institutions. The policy is written on a claims-made basis. Management is not aware of any uninsured claims or other matters that would materially affect the amounts provided for professional liability coverage in the financial statements.

Net Assets

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets, and related revenues, expenses, gains, and losses, are classified based upon the existence of donor-imposed restrictions, if any. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations. These assets represent the resources over which the Board of Directors has discretionary control to use in carrying on the operations of the Foundation.

In addition, the Board of Directors has also designated a portion of investments to fund the Foundation's deferred compensation, severance benefit and supplemental executive retirement plans obligations which totaled $5,543,236 and $4,843,392 at September 30, 2012 and 2011, respectively.

Temporarily Restricted Net Assets – net assets that are subject to donor-imposed stipulations. As related expenses are incurred, the assets are released from restrictions. Temporarily restricted net assets consist of amounts contributed by the Hospital to be used for physician recruitment and quality improvement initiatives. The amount of temporarily restricted net assets is $1,128,433 and $1,385,551 at September 30, 2012 and 2011, respectively.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated contractual allowances under reimbursement agreements with third-party payors and uncollectable accounts as a provision for bad debt.

1. Summary of Significant Accounting Policies (continued)

Charitable Care

The Foundation provides care to patients who meet certain criteria under the Hospital's free-care policy without charge or at amounts less than its established rates. Because the Foundation does not pursue collection of amounts determined to qualify as free care, they are not reported as revenue.

The Foundation maintains records to identify and monitor the level of free care it provides. The Foundation identified $74,305 and $40,314 of charges foregone for services furnished under its free-care policy for the year ended September 30, 2012 and four months ended September 30, 2011, respectively. To calculate the cost associated with these charges, the Foundation utilizes a cost to charge ratio. The total cost of providing care for patients that qualified for free care was $34,117 and $11,230 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

Operating Income

Transactions deemed by management to be ongoing, major, or central to the provision of health care services and educational and research activities are reported as operating revenue and expenses. Peripheral or incidental transactions, which include investment income and realized and unrealized gains and losses on investments, are reported as nonoperating gains or losses.

Excess of Revenues Over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and pension adjustments.

Reclassifications

Certain amounts in the 2011 statements of operations and changes in net assets have been reclassified to reflect the adoption of changes to the presentation of the provision for bad debts, which has been reclassified from an operating expense to a deduction from net patient service revenue. There was no impact to the statement of financial position or the excess of revenues over expenses attributable to the Foundation for all periods presented as a result of this change.

Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through December 19, 2012 which is the date the financial statements were available to be issued.

2. Related Party Transactions

Operations

The Foundation was organized for, and is operated exclusively for the benefit of, the Hospital and Harvard. Certain key members of the Foundation's management are employees of the Hospital. The statement of principles and procedures between the Foundation and the Hospital provides that the Cardiovascular Surgeon-in-Chief of the Department shall be the president of the Foundation. Under the Harvard system of joint appointments, each member of the Department of Cardiovascular Surgery is also a faculty member of the Harvard Medical School, and is automatically a member of the Foundation and the Hospital. The Foundation's budgets are subject to the Hospital's approval. Accordingly, the Board of Trustees of the Hospital may have significant influence over the Foundation's operating procedures.

Transactions

The Foundation received teaching, administration and supervision related revenue from the Hospital in the amount of $469,182 and $90,855 during the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

In an effort to generate cost savings, the Hospital has a purchased services program in which the Foundation participates. Medical and office supplies (and a variety of other services) are ordered by the Foundation through the Hospital's purchasing department. Certain Hospital employees perform medical support and administrative services for the Foundation, and the Foundation uses certain Hospital medical and administrative equipment. In addition, the Foundation acquires malpractice coverage through the Hospital, as part of a pool that includes physicians affiliated with Harvard. Malpractice insurance expense amounted to $208,565 and $115,182 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

Included in operating expenses are expense reimbursements to the Hospital for payments made on the Foundation's behalf in the amount of $1,921,701 and $512,254 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively. These include reimbursements to the Hospital for salaries and fringes in the amount of $1,603,988 and $488,538 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

Due from Children's Hospital

This amount represents amounts due from the Hospital primarily for grants, salary and fringe reimbursements, and certain other transactions. At September 30, 2012 and 2011, the Hospital owed the Foundation $79,028 and $14,702, respectively. These amounts represent revenue and expense reimbursements for the current fiscal year, not remitted by the Hospital until the following fiscal year.

2. **Related Party Transactions (continued)**

Due to Physicians' Organization

Working in conjunction with the Hospital, the Physicians' Organization (the P.O.) provides coordination and general oversight of the Foundation's pediatric clinical and medical practices and related healthcare services. The P.O. also negotiates contracts, on behalf of the Foundation, with certain third-party payors that include risk sharing arrangements, with settlements based on utilization, plan participants, and enhanced rate reimbursements. The P.O. charges the Foundation dues for all of these services and for direct costs associated with managing the P.O. Pooled Investment Fund. The Foundation incurred the P.O. dues in the amount of $111,516 and $66,115 during the year ended September 30, 2012 and four months ended September 30, 2011, respectively. The Foundation owed the P.O. $40,995 and $25,141 at September 30, 2012 and 2011, respectively.

The Foundation participates in the P.O.'s group health, group dental, group life, and group long-term disability insurance programs. The Foundation paid the P.O. $144,615 and $49,485 for such insurances during the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

Due to Children's Hospital

The balance of this account represents amounts due to the Hospital primarily for purchased services, certain other transactions and the strategic initiative fund contribution. At September 30, 2012 and 2011, the Foundation owed the Hospital $899,108 and $179,196, respectively.

Contributions to Children's Hospital

During the year ended September 30, 2012, the Foundation voted to donate $500,000 to the Hospital for research purposes. The Foundation also voted to donate $420,000 to the Hospital to support a strategic initiative fund program to help grow and expand the clinical services of the Foundation. The Foundation paid the entire contributions during the year in which it was voted.

The Foundation made smaller donations to the Hospital totaling $34,400 and $7,000 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

P.O. Pooled Investment Fund, LLC

In 2007, the P.O. established the P.O. Pooled Investment Fund, LLC (the Fund) for the benefit of its affiliated physician foundations. The P.O. is the manager of the Fund. The Fund attempts to mirror the investment performance of the Hospital's endowment fund, and all investment decisions are made based on the actions of the Hospital's investment committee. At September 30, 2012 and 2011, the Foundation's investment amounted to $5,479,601 and $4,911,223, respectively, in the Fund. The Foundation accounts for its ownership interests in the Fund under the equity method of accounting.

2. Related Party Transactions (continued)

Due From Affiliate

Amounts due from affiliate are for certain patient care services provided to Boston Children's Heart Foundation, Inc. to patients of the Foundation. At September 30, 2012 and 2011, amounts due from affiliate totaled $45,000.

Notes Receivable

The Foundation has provided unsecured interest free and interest bearing loans to key employees. The loans will be forgiven over a five or ten year period if the recipient remains at the Foundation.

3. Investments

Investments are stated at fair value, and include the following as of September 30:

	2012	2011
Cash and cash equivalents	**$ 1,423,793**	$ 542,378
Certificates of deposit	**99,968**	298,749
Corporate bonds	**829,055**	830,297
Exchanges traded funds	**2,530,733**	1,020,118
Equity securities	**–**	991,767
Interest in P.O. Pooled Investment Fund	**5,479,601**	4,911,223
Total investments	**$10,363,150**	$ 8,594,532

The following schedule summarizes the investment return and its classification as nonoperating gains (losses) in the statements of operations and changes in net assets for the year ended September 30, 2012 and four months ended September 30, 2011:

	2012	2011
Income:		
Interest and dividends	**$ 183,095**	$ 76,255
Net realized and unrealized gains (losses) on investments	**1,322,244**	(1,282,263)
Change in interest in the P.O. Pooled Investment Fund	**568,378**	(499,672)
Total	**$ 2,073,717**	$ (1,705,680)

Included in general and administrative expenses are investment brokerage fees, related to the investment return, of $52,165 and $13,762 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

4. Fair Value Measurements

The Foundation adopted the methods of calculating fair value as described in Accounting Standards Codification (ASC) 820-10 to value its financial assets and liabilities, where applicable. As defined in ASC 820-10, fair value is based on 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. In order to increase consistency and comparability in fair value measurements, ASC 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

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.

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 Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

4. Fair Value Measurements (continued)

Financial assets carried at fair value as of September 30, 2012, are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 3,104,233	$ –	$ –	$ 3,104,233
Debt instruments:				
U.S. Treasury notes	621,618	–	–	621,618
Corporate bonds	–	1,090,218	–	1,090,218
	621,618	1,090,218		1,711,836
Marketable equity securities:				
U.S. equity securities	3,164,480	–	–	3,164,480
International equity securities	421,482	–	–	421,482
	3,585,962	–	–	3,585,962
Exchange traded funds:				
U.S. equity securities	2,105,583	–	–	2,105,583
International securities	847,949	–	–	847,949
Fixed income	99,687	–	–	99,687
	3,053,219	–	–	3,053,219
Other funds:				
Interest in the P.O. Pooled Investment Fund	–	–	5,479,601	5,479,601
Certificates of deposit	–	99,968	–	99,968
	–	99,968	5,479,601	5,579,569
Total assets at fair value	$10,365,032	$ 1,190,186	$ 5,479,601	$17,034,819

Assets detailed above include:

Investments (note 3)	$10,363,150
Assets limited as to use (note 5)	6,671,669
	$17,034,819

4. Fair Value Measurements (continued)

Financial assets carried at fair value as of September 30, 2011, are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 2,822,091	$ –	$ –	$ 2,822,091
Debt instruments:				
U.S. Treasury notes	562,490	–	–	562,490
Corporate bonds	–	935,644	–	935,644
	562,490	935,644	–	1,498,134
Marketable equity securities:				
U.S. equity securities	2,985,180	–	–	2,985,180
International equity securities	496,184	–	–	496,184
	3,481,364	–	–	3,481,364
Exchange traded funds:				
U.S. equity securities	726,398	–	–	726,398
International securities	855,828	–	–	855,828
Fixed income	148,477	–	–	148,477
Commodities	81,211	–	–	81,211
	1,811,914	–	–	1,811,914
Other funds:				
Interest in the P.O. Pooled Investment Fund	–	–	4,911,223	4,911,223
Certificates of deposit	–	298,749	–	298,749
	–	298,749	4,911,223	5,209,972
Total assets at fair value	$ 8,677,859	$ 1,234,393	$ 4,911,223	$14,823,475

Assets detailed above include:

Investments (note 3)	$ 8,594,532
Assets limited as to use (note 5)	6,228,943
	$14,823,475

The amounts reported in the tables above exclude assets invested in the Foundation's defined benefit pension plan.

4. Fair Value Measurements (continued)

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation 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.

The following table is a rollforward of the statement of financial position amounts for financial instruments classified by the Foundation in Level 3 of the valuation hierarchy defined above:

2012	
Fair value at October 1, 2011	**$ 4,911,223**
Change in value of the P.O. Pooled Investment Fund:	
Interest income	**40,430**
Net realized gains	**29,682**
Net unrealized gains	**498,266**
Fair value at September 30, 2012	**$ 5,479,601**
2011	
Fair value at June 1, 2011	$ 5,410,895
Change in value of the P.O. Pooled Investment Fund:	
Interest income	2,305
Net realized losses	(24,837)
Net unrealized losses	(477,140)
Fair value at September 30, 2011	$ 4,911,223

5. Assets Limited as to Use

Assets limited as to use consist of Board of Directors designated investments to fund the Foundation's supplemental executive retirement and deferred compensation plans and investments whose use has been restricted by donors to a specific purpose. Assets limited as to use are stated at fair value, and consist of the following as of September 30:

	2012	2011
Cash and cash equivalents	**$ 1,680,440**	$ 2,279,713
U.S. Treasury notes	**621,618**	562,490
Corporate bonds	**261,163**	105,347
Equity securities	**3,585,962**	2,489,597
Exchange traded funds	**522,486**	791,796
Total assets limited as to use	**$ 6,671,669**	$ 6,228,943

6. Property and Equipment, Net

Property and equipment, net consists of the following as of September 30:

	2012	2011
Computer hardware and software	$ 142,442	$ 142,442
Furniture and fixtures	56,572	56,572
Office equipment	18,839	18,839
Total equipment	217,853	217,853
Less: accumulated depreciation	(209,070)	(199,889)
Property and equipment, net	$ 8,783	$ 17,964

Depreciation expense amounted to $9,181 and $6,029 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

7. Pension Plans

Profit Sharing Plan

The Foundation established the CHMC Cardiovascular Surgical Foundation, Inc. Money Purchase Pension Plan (the Profit Sharing Plan), effective as of May 1, 1995. All classes of employees are eligible to participate on the later of one year of service or attainment of age 21. Participants are 100% vested after six years of participation.

Discretionary contributions are determined annually by the Board of Directors. The Foundation has voted to make a contribution to the Profit Sharing Plan of approximately 20% of eligible compensation, which amounted to $259,434 and $77,000 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

Defined Benefit Plan

The Foundation established the CHMC Cardiovascular Surgical Defined Benefit Plan, effective June 1, 2004, covering substantially all of its employees. Participants enter the plan after one year of service and attaining the age of 21. Participants are 100% vested upon entering the plan.

The defined benefit pension plan calls for benefits to be paid to eligible employees at retirement based upon years of service with the Foundation and compensation rates near retirement. Contributions to the plan reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future and are determined based on actuarially determined requirements.

While the Foundation expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

7. Pension Plans (continued)

The following table outlines the development of benefit obligation, plan assets, and funding status of the defined benefit plan as of September 30:

	2012	2011
Changes in benefit obligation:		
Projected benefit obligation, beginning of year	**$ 5,606,406**	$ 5,022,833
Service cost	**366,145**	122,914
Interest cost	**266,304**	90,447
Actuarial (gain) loss	**(6,706)**	370,212
Projected benefit obligation at end of year	**$ 6,232,149**	$ 5,606,406
Changes in plan assets:		
Fair value of plan assets at beginning of year	**$ 5,552,219**	$ 6,196,572
Actual return (loss) on plan assets	**722,077**	(644,353)
Contribution by employer	**700,000**	–
Fair value of plan assets at end of year	**$ 6,974,296**	$ 5,552,219
Development of accrued pension obligation:		
Accumulated benefit obligation	**$ 5,913,866**	$ 5,086,795
Increase in future salary recognition	**318,283**	519,611
Projected benefit obligation	**6,232,149**	5,606,406
Fair value of plan assets	**6,974,296**	5,552,219
Prepaid (accrued) pension obligation	**$ 742,147**	$ (54,187)

Included in other changes in unrestricted net assets for the year ended September 30, 2012 and four months ended September 30, 2011, respectively, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of $245,930 and $281,786, and unrecognized actuarial losses of $1,713,420 and $2,160,184.

The accumulated benefit obligation represents the actuarial present value of benefits attributed by the pension benefit formula to employee service rendered prior to that date, and based on current and past compensation levels. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels.

The assumptions used to determine the projected benefit obligation are as follows as of September 30:

	2012	2011
Discount rates	**4.00%**	4.75%
Rates of increase in future compensation levels	**4.00**	4.00

7. Pension Plans (continued)

Net periodic pension cost for the defined benefit plan includes the following components at September 30:

	2012	2011
Service cost	**$ 366,145**	$ 122,914
Interest cost on projected benefit obligation	**266,304**	90,447
Expected return on plan assets	**(388,655)**	(141,338)
Amortization of prior service cost	**35,856**	11,952
Amortization of actuarial loss	**106,636**	8,741
Net periodic pension expense	**$ 386,286**	$ 92,716

The Foundation uses the straight-line method to amortize the unrecognized transition obligation and unrecognized actuarial gains and losses.

The weighted-average assumptions used to determine the net periodic benefit cost are as follows:

	2012	2011
Measurement date	**October 1, 2011**	June 1, 2011
Postretirement discount rate	**4.75%**	5.50%
Long-term rate of return on assets	**7.00**	7.00
Rate of increase in future compensation levels	**4.00**	4.00

The Foundation's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The Board of Directors voted to participate in the Physicians' Organization of Children's Hospital Retirement Plan Group Trust (the Trust) for the investment of the defined benefit plan's assets. The Foundation's investment strategy is based on an expectation that equity securities will outperform debt securities over the long-term. The strategy utilizes indexed U.S. equity securities and actively managed investment grade debt securities (which constitute 80% or more of debt securities) with lesser allocation to high-yield and international debt securities.

The Foundation's qualified defined benefit pension plan assets invested in the Trust are considered to be a Level 3 asset for the Foundation, as defined in Note 4. The assets are considered as a Level 3 asset as the Foundation's legal interest is its pro rata portion of the Trust and not the Trust's underlying assets. The Foundation's interest is valued based upon its pro rata ownership of the total Trust. The changes in the Trust assets are reflected previously as changes in plan assets. The Trust's assets at September 30, 2012 consisted of 31% equity securities, 17% fixed income, 47% alternative investments and 5% cash and cash equivalents. The Trust's assets at September 30, 2011 consisted of 36% equity securities, 20% fixed income, 41% alternative investments and 3% cash and cash equivalents.

7. Pension Plans (continued)

The Foundation attempts to mitigate investment risk by balancing between equity and debt asset classes as the Foundation's contributions and benefit payments are made. Although changes in interest rates may affect the fair value of the investment portfolio, unrealized gains or losses would not be realized unless the investments are sold.

The following schedule reflects benefit payments, which include expected future service, as appropriate, expected to be paid in future years as follows:

2013	$ 2,773,925
2014	-
2015	-
2016	-
2017	-
2018 - 2022	3,377,656
Total	$ 6,151,581

8. Deferred Compensation

Severance Benefit Plan

The Foundation has established two severance benefit plans to supplement the severance, death, or disability benefits available to certain eligible employees with amounts designated by the Board of Directors.

The Foundation sets aside funds, when reasonably available, to fund the plans. As voted by the Board of Directors of the Foundation, funds set aside for the plans are recorded on the financial statements as assets limited as to use. Plan I has been frozen by the Foundation. Participants are 100% vested in balances held in these investment accounts. A severance benefit expense is recorded to equal the change in the investment balance from year to year. Plan II is frozen and provides that eligible employees, who terminate their employment for just cause, will receive a severance benefit equal to the lesser of (1) the value of the assets in their benefit account, or (2) twice the greater of (A) their annual compensation during the plan year immediately preceding termination of service, or (B) their average annual compensation for the three consecutive years preceding termination of service. The change in the severance plan assets is reflected as a severance benefit plan expense (benefit) which totaled $694,903 and $(567,146) for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

This plan provides a supplemental benefit to the extent the benefit account assets exceed the compensation benefit, subject to certain age modifications.

8. Deferred Compensation (continued)

Accrued SERP Obligation

The Foundation established the CHMC Cardiovascular Surgical 2005 Supplemental Executive Retirement Plan (the SERP), effective as of January 1, 2005, to reward licensed physician employees with a benefit based on service. Under the terms of the plan, each eligible employee became a participant on January 1, 2005. All other eligible employees become participants after two years of service eligibility. The SERP's sources of contributions are from employer discretionary amounts (if any), severance benefit, and elective deferrals. The amounts are vested after five years, attainment of age 63, death, disability, or change in control. The amounts are subject to forfeiture for termination prior to the vesting date and severance from service before age 63, death, or disability. SERP expense totaled $49,708 and $15,885 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

The accrued benefit for participants of the severance benefit plan and the SERP was $5,341,339 and $4,703,527 at September 30, 2012 and 2011, respectively.

Deferred Compensation Plan

The Foundation has a deferred compensation arrangement under a nonqualified defined contribution plan to provide supplemental retirement benefits to certain employees. Assets segregated for this plan have been placed in a separate account. The plan allows eligible participants the right to elect to defer compensation of up to $15,500 per year. Contributions to the plan amounted to $62,000 for the year ended September 30, 2012. There were no contributions to the plan during the four months ended September 30, 2011. The assets and liabilities of the plan are classified as other long-term assets and deferred compensation liability which totaled $201,897 and $139,865 at September 30, 2012 and 2011, respectively.

After-Tax Tuition Plan

The Foundation established the CHMC Cardiovascular Surgical Foundation, Inc. After-Tax Tuition Plan, effective June 1, 1995. The Foundation desires to provide a benefit to eligible employees by enabling them to accumulate funds for the payment of tuition expenses for their children. Participants in the plan are selected by the Board of Directors. They also determine the amount of contribution, if any, to be made under the plan. No benefit accounts have been established for the participants in the plan; it has been the Foundation's policy to make payments approved by the administrative committee, as current contributions. Accordingly, no liability is determinable as of the fiscal year end. After-tax plan expenses amounted to $171,304 and $85,315 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

9. Flexible Welfare Benefit Plan

The Foundation established the CHMC Cardiovascular Surgical Foundation, Inc. flexible benefit plan, effective as of June 1, 2008, which permits its eligible employees to choose among receiving one or more qualified benefits designated by the plan administrator from time to time. Under the terms of the plan, each employee may become a participant on the later of June 1, 2008 or the completion of three years of employment with the Foundation. As of September 30, 2012, three employees are participants of the plan.

Discretionary contributions are determined by the Board of Directors. The Foundation voted to make contributions to the flexible welfare benefit plan of $98,696 and $113,706 for the year ended September 30, 2012 and four months ended September 30, 2011, respectively.

10. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realized amounts from patients, third-party payors, and others for services rendered, as follows as of September 30:

	2012	2011
Gross patient service billings	**$ 20,010,932**	$ 6,923,581
Less contractual allowances and provision for bad debts	**(8,814,380)**	(2,626,727)
Net patient service revenue	**$ 11,196,552**	$ 4,296,854

The Foundation has agreements with third-party payors that provide for payments to the Foundation at amounts different from its established rates. The allowances for contractual allowances and bad debts are based upon these agreements and upon the Foundation's collection experience. The Foundation grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Foundation believes that it is in compliance with applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

10. Net Patient Service Revenue (continued)

Revenues from third-party payors, the uninsured and other revenues are summarized as follows for the fiscal years ended September 30:

	2012	2011
Blue Cross/Blue Shield	$ 3,766,343	$ 1,229,566
Commercial/other managed care	4,976,397	2,075,163
Medicaid	1,291,830	618,286
Neighborhood health plan	259,351	63,964
Other governmental	75,438	5,722
Self-pay	31,872	43,962
	10,401,231	4,036,663
Other	852,297	436,282
Revenues before provision for doubtful accounts	11,253,528	4,472,945
Provision for doubtful accounts	(56,976)	(176,091)
Net patient service revenue	$ 11,196,552	$ 4,296,854

Accounts receivable are reduced by an allowance for doubtful accounts in evaluating the collectibility of accounts receivable. The Foundation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Foundation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay balances, the Foundation records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Accounts receivable, net of allowances for contractual allowances and bad debts, from third-party payors and patients are as follows as of September 30:

	2012	2011
Commercial insurance	33%	35%
Managed care	24	13
International	22	22
Blue Shield	15	17
Medicaid/Medicare	5	8
Self-pay	1	5
Total	100%	100%

11. Functional Expenses

Total operating expenses of the Foundation, by function, are as follows at September 30:

	2012	2011
Health care services	**$ 7,046,723**	$ 1,430,883
Contributions – Children's Hospital	**954,400**	7,000
General and administrative	**1,110,347**	412,910
Total operating expenses	**$ 9,111,470**	$ 1,850,793

12. Professional Liability

The Foundation and its physicians/subcontractors are insured against professional and general liability insurance coverage by CRICO, a corporation formed and wholly owned by the Harvard-affiliated medical institutions. The professional liability insurance policy is written on a claims-made basis. The Foundation accrues a liability for claims incurred but not reported. The liability was $323,079 and $358,317 at September 30, 2012 and 2011, respectively.

Professional liability insurance expenses, net of recoveries, are as follows:

	2012	2011
Professional liability insurance premiums net of recoveries	**$ 243,803**	$ 115,182
Decrease in reserve for incurred, but not reported professional liability claims	**(35,238)**	–
Total professional liability expenses	**$ 208,565**	$ 115,182

13. Contingencies

Complaints and Investigations

The Foundation is subject to complaints, claims, and litigation which may arise in the normal course of business. In addition, the Foundation is subject to investigations by various federal and state government agencies to assure compliance with applicable laws, some of which are subject to different interpretations. Recently, governmental review of compliance by health care institutions, including the Foundation, has increased. Complaints, claims and litigation or investigations could occur directly or indirectly as a result of the Foundation's affiliation with the Hospital.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Directors
CHMC Cardiovascular Surgical Foundation, Inc.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Boston, Massachusetts
December 19, 2012

Limited Liability Company

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Schedules of Physicians' Expenses and Hospital Charges

Year Ended September 30, 2012 and Four Months Ended September 30, 2011

	2012	2011
Physicians' expense:		
Physicians' salaries	**$ 3,001,737**	$ 998,410
Severance expense (benefit)	**694,903**	(567,146)
Defined benefit pension expense	**386,286**	92,716
Money purchase pension expense	**259,434**	77,000
Insurance – professional liability	**208,565**	115,182
Insurance – life and disability	**145,783**	34,339
Insurance – health and long-term care	**123,715**	27,874
Health and welfare	**98,696**	113,706
Payroll taxes	**95,286**	15,537
Deferred compensation plan expense	**62,000**	–
Supplemental executive retirement plan	**49,708**	15,885
Total physicians' expense	**5,126,113**	923,503
Hospital charges – personnel costs:		
Technical salaries	**1,413,468**	385,798
Fringe benefits	**466,444**	111,511
Total hospital charges – personnel costs	**1,879,912**	497,309
Hospital charges – other costs:		
Medical supplies	**36,364**	6,296
Total hospital charges	**1,916,276**	503,605
Total physicians' expenses and hospital charges	**$ 7,042,389**	$ 1,427,108

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Schedules of General and Administrative Expenses

Year Ended September 30, 2012 and Four Months Ended September 30, 2011

	2012	2011
Billing service fees	$ 276,497	$ 93,390
Tuition reimbursement	171,304	85,315
Books, dues, and subscriptions	163,117	74,706
Travel	100,254	34,958
Professional relations and meetings	94,118	5,433
Professional fees	82,931	47,762
Investment fees	52,166	13,762
Office and other expenses	40,905	15,126
Insurance	38,551	7,558
Parking	24,485	11,419
Donations	20,500	2,500
Telephone	16,445	5,479
Recruiting expenses	10,025	481
Depreciation	9,181	6,029
Postage	5,842	2,846
Licenses	3,761	2,881
Marketing	265	–
Salary – office	–	1,200
Pension administration	–	1,200
Manager stipend	–	865
Total general and administrative expenses	$ 1,110,347	$ 412,910

Office Use Only: **Fiscal Year**

The Commonwealth of Massachusetts
OFFICE OF THE ATTORNEY GENERAL
NON-PROFIT ORGANIZATIONS/PUBLIC CHARITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200, ext. 2101
www.mass.gov/ago/charities

Form PC

Report for the Fiscal Period: 10/01/11 to 09/30/12

Attorney General's Account #: 016716

Federal ID #: 04-2764370

When did the organization first engage in charitable work in Massachusetts? 08/01/1982

Has the organization applied for or been granted IRS tax exempt status? [X] Yes [ ] No

If yes, date of application **OR** date of determination letter: 08/01/82

IRS Exemption under 501(c): 3

If exempt under 501(c), are contributions to the organization tax deductible as charitable contributions? [X] Yes [ ] No

Check all items attached (if applicable)
- [ ] Schedule A-1
- [ ] Schedule A-2
- [X] Schedule RO
- [ ] Probate Account
- [X] Copy of IRS Return
- [X] Audited Financial Statements/Review
- [X] Filing Fee
- [ ] Amended Articles/ By-Laws

Organization Data

Name: CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC.

Mailing Address: 300 LONGWOOD AVENUE

City. BOSTON State: MA ZIP. 02115

Phone Number: 617-355-7008 Fax Number:

Email: Website: N/A

In the table below, please enter the appropriate codes from the corresponding tables found in the instructions.
Enter **up to 2** codes from Table 3 for your organization's main purpose(s)

Category	Code	Category	Code
County (Table 1)	13	Organization Purpose Code 1	19
Type of Organization (Table 2)	5	Organization Purpose Code 2	59

Please check box if final return prior to dissolution: [ ]

Office Use Only: **Payment Received**

14290807 756977 01104 2011.05090 CHMC CARDIOVASCULAR SURGICA 011042

CHMC CARDIOVASCULAR SURGICAL FOUNDATION, INC. 04-2764370

All questions must be completed in their entirety whether or not similar questions are answered in an attached federal form. See instructions and definition section for guidance.

1. On what date was the organization created? 08/01/1982

2. Where was the organization created? MASSACHUSETTS

3. What is the form of organization? *(check one)*

Corporation	[X]	Testamentary Trust	[ ]
Unincorporated Association	[ ]	Inter Vivos Trust	[ ]

Other (please describe): _____

4. Was your organization related to any other organization(s) during the reporting year (see definition of "Related Organization")? *If yes, please complete the Schedule RO on pages 13 and 14.* [X] Yes [ ] No

5. Enter your summary of financial data:

	Financial Data	Amounts
A.	Contributions, gifts, grants, and similar amounts received	0.
B.	Gross support and revenue	12,281,782.
C.	Program services and similar amounts paid out	8,747,671.
D.	Fundraising expenses	0.
E.	Management and general expenses	420,775.
F.	Payments to affiliates	0.
G.	Total expenses	9,168,446.
H.	Net assets or fund balances at the end of the year	19,241,941.

6. List the total compensation you provided to your five highest paid employees

	Name/Title	Hrs/ Week	Salary and Other Income	Benefit Plans	Other Compensation
1.	JOHN E. MAYER, JR., MD SECRETARY/TREASURER/DIRECTOR	60.00	897,117.	195,207.	0.
2.	PEDRO DEL NIDO, MD PRESIDENT/DIRECTOR	60.00	819,875.	117,965.	0.
3.	FRANK A. PIGULA, MD DIRECTOR	60.00	719,640.	178,842.	0.
4.	SITARAM M. EMANI, MD PHYSICIAN	60.00	620,805.	140,147.	0.
5.	CHRISTOPHER BAIRD, MD PHYSICIAN	60.00	530,476.	49,817.	0.

7. Was any compensation provided to any of the individuals listed in question 6 above which was not quantified in your response to 6? *If yes, please provide explanation (attach separate sheet).* [ ] Yes [X] No

8. List the name, amount of compensation paid, and the nature of services rendered by each of the organization's five highest paid consultants providing professional services (e.g. attorneys, architects, accountants, management companies, investment advisors, professional solicitors, professional fundraising counsel).

	Name/Title	Amount of Compensation	Type(s) of Service
1.	HART ASSOCIATES	167,813.	MEDICAL BILLING SERVICES
2.	MEDPRO MEDICAL MANAGEMENT	108,684.	MEDICAL BILLING SERVICES
3	PARENT MCLAUGHLIN & NANGLE	26,583.	ACCOUNTING
4	BOSTON BENEFITS CONSULTING	7,760.	BUSINESS MANAGEMENT
5.	NUTTER, MCCLENNEN & FISH	37,249.	LEGAL SERVICES

9. Bank(s) in which the organization's funds are deposited *(include bank addresses and phone numbers)*.

Bank	Address	Phone Number
CITIZENS BANK	53 STATE STREET BOSTON, MA 02109	617-725-5838
BANK OF AMERICA	100 FEDERAL STREET BOSTON, MA 02110	617-841-4000

10. What is the organization's accounting method? ☐ Cash ☒ Accrual

☐ Other *(specify)*: _____

11. If organization's mailing address is a P.O. Box, list the organization's full street address:

Address: _____

City: _____ State: _____ ZIP Code. _____

12. Contact Person Name: PEDRO DEL NIDO, MD

Street Address: 300 LONGWOOD AVENUE

City: BOSTON State: MA ZIP Code: 02115

Phone Number: 617-355-8290

13. During the fiscal year reported here, did your organization solicit contributions or have funds solicited on its behalf? ☐ Yes ☒ No

14. At any time during the fiscal year following the year reported here, will your organization, or others acting on its behalf, solicit contributions? ☐ Yes ☒ No

If you answered yes to Question 13 or 14, you must complete Schedule A-1 and/or Schedule A-2 unless you are exempt from the solicitation certificate requirement.

15. If you are claiming an exemption from the solicitation certificate requirement, please indicate by checking the box to the right to identify which exemption applies to your organization.

a religious organization	☐
an organization which: (a) does not raise more than $5,000 during a calendar year OR does not receive contributions from more than ten persons during a calendar year; AND (b) carries out all of its activities, including fundraising, through unpaid volunteers. *(The conditions at both (a) and (b) must be met for your organization to qualify for this exemption.)*	☐

16. Attach a list of names, addresses (street and/or mailing), and telephone numbers of other offices/chapters/branches/affiliates.
STATEMENT 1

17. Attach a list of names, titles, and addresses (street and/or mailing) of officers, directors, trustees, and the principal salaried executives of organization.
STATEMENT 2

18. Attach a list of names, titles, and addresses (street and/or mailing) of any individual(s) authorized to sign checks, and any individual(s) responsible for: custody of funds; distribution of funds; fundraising, and custody of financial records.
STATEMENT 3

19. Has this organization or any of its officers, directors, employees or fundraisers solicited funds in any other state? ☐ Yes ☒ No

If you attach list of states where solicitation was conducted, including registered agency, dates of registration, registration numbers, any other names under which the organization was/is registered, and the dates and type (mail, telephone, door to door, special events, etc.) of the solicitation conducted.

FORM PC NAME, ADDRESS, PHONE OF OTHER OFFICES STATEMENT 1

NAME	PHONE NUMBER
CHILDREN'S HOSPITAL CORPORATION	617-355-6000

ADDRESS

300 LONGWOOD AVENUE BOSTON, MA 02115

NAME	PHONE NUMBER
PHYSICIANS' ORG. AT CHILDREN'S	617-919-4086

ADDRESS

300 LONGWOOD AVENUE BOSTON, MA 02115

FORM PC OFFICERS, DIRECTORS, TRUSTEES AND EXECUTIVES STATEMENT 2

NAME AND ADDRESS	TITLE
PEDRO DEL NIDO, MD 300 LONGWOOD AVENUE BOSTON, MA 02115	PRESIDENT
JOHN E. MAYER, JR., MD 300 LONGWOOD AVENUE BOSTON, MA 02115	TREASURER/SECRETARY
FRANK A. PIGULA, MD 300 LONGWOOD AVENUE BOSTON, MA 02115	DIRECTOR
PHYSICIANS' ORG. AT CHILDREN'S HOSP. BOSTON 300 LONGWOOD AVENUE BOSTON, MA 02115	DIRECTOR
SITARAM M. EMANI 300 LONGWOOD AVENUE BOSTON, MA 02115	DIRECTOR

FORM PC PAGE 4 LINE 18 STATEMENT 3

NAME	AREA OF RESPONSIBILITY
PEDRO DEL NIDO	RESPONSIBLE FOR CUSTODY OF FUNDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
JOHN MAYER, JR.	RESPONSIBLE FOR CUSTODY OF FUNDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
PEDRO DEL NIDO	RESPONSIBLE FOR DISTRIBUTION OF FUNDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
JOHN MAYER, JR.	RESPONSIBLE FOR DISTRIBUTION OF FUNDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
PEDRO DEL NIDO	CUSTODY OF FINANCIAL RECORDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
JOHN MAYER, JR.	CUSTODY OF FINANCIAL RECORDS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	

'' CHMC CARDIOVASCULAR SURGICAL FOUNDATION, 04-2764370

NAME	AREA OF RESPONSIBILITY
PEDRO DEL NIDO	AUTHORIZED TO SIGN CHECKS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	
NAME	AREA OF RESPONSIBILITY
JOHN MAYER, JR.	AUTHORIZED TO SIGN CHECKS
ADDRESS	
300 LONGWOOD AVENUE BOSTON, MA 02115	

20. Has this organization or any of its officers, directors, or employees:
If yes, please attach an explanation.

(a) Been enjoined or otherwise prohibited by a government agency/court from operating or soliciting contributions? ☐ Yes ☒ No

(b) Ever been refused registration or had its registration or tax exemption denied, suspended, modified or revoked by a governmental agency? ☐ Yes ☒ No

(c) Been the subject of a proceeding regarding any solicitation or registration? ☐ Yes ☒ No

(d) Entered into a voluntary agreement of compliance or consent judgment with any government agency or in a case before a court or administrative agency? ☐ Yes ☒ No

21. Have any restrictions been removed during the year from donor-restricted funds? ☐ Yes ☒ No
If yes, please attach an explanation.

22. Have donor-restricted funds been loaned to unrestricted funds? ☐ Yes ☒ No
If yes, please attach an explanation.

23. This question involves "Termination of Employment or Changes of Control Compensatory Arrangements" with certain "Related Parties" (*see instructions and definition sections*). Report only if payments made or promised to any individual are in excess of four months salary or $100,000, whichever dollar amount is less.

(a) Did you make actual payments or otherwise transfer value under such an arrangement to any individual described in Related Party definition, sections (a) or (b), which payments are not reported in Question 6 or 7 above? ☐ Yes ☒ No

(b) Do you have an agreement with any individual described in Related Party definition, sections (a) or (b), containing such an agreement? ☒ Yes ☐ No

If you answered **yes** *for Question 23(a) or 23(b) above, please attach an explanation identifying the individual(s) involved, stating the amount of any payments made or value transferred, and describing the terms of each agreement.*

24. This question applies to related party transactions, which include transactions with officers, directors, trustees, certain employees, relative, and organizations they own or control. Please consult the instructions and definition sections for the definition of a "Related Party" and "Indebtedness" before answering. Note that transactions involving related parties must be reported even when there is no accounting recognition (e.g. in-kind gifts, waiver of interest not otherwise reported).

If the answer to any part of Question 24 is **yes**, *attach a schedule stating the name and address of the related party, the nature of the transaction, the value or the amounts involved in the transaction, and the procedure followed in authorizing the transaction*

	During the year:		
A.	Has your organization sold or transferred assets to or purchased assets from or exchanged assets with a related party?	☐ Yes	☒ No
B	Has your organization leased assets to or leased assets from a related party?	☐ Yes	☒ No
C	Has your organization been indebted to a related party?	☒ Yes	☐ No
D.	Has your organization allowed a related party to be indebted to it?	☒ Yes	☐ No
E.	Has your organization made or held an investment in a related party?	☐ Yes	☒ No
F.	Has your organization furnished goods, services, or facilities to a related party?	☒ Yes	☐ No
G.	Has your organization acquired goods, services, or facilities from a related party who received compensation or other value in return?	☒ Yes	☐ No
H	Has your organization paid or became obligated to pay wages, salary, or other compensation to a related party?	☒ Yes	☐ No
I	Has your organization transferred income or assets to or for use by a related party?	☐ Yes	☒ No
J.	Was your organization a party to any transaction in which any of its officers, directors, or trustees has a material financial interest, or did any officer, director, or trustee receive anything of value not reported as compensation?	☐ Yes	☒ No
K.	Has your organization invested in any corporate stock of a company in which any officer, director, or trustee owns more than 10% of the outstanding shares?	☐ Yes	☒ No
L.	Is any property of the organization held in the name of or commingled with the property of any other person or organization?	☐ Yes	☒ No
M.	Did your organization make a grant award or contribution to any other organization in which any of this organization's officers, directors, or trustees has a relationship?	☒ Yes	☐ No

STATEMENT 4

MA FORM PC ATTACHMENT

Page 5 - Question 23(b)

Severance Benefit Plan

CHMC Cardiovascular Surgical Foundation, Inc. (the "Foundation") established two severance plans to supplement the severance, death, or disability benefits available to certain eligible employees with amounts designated by the Board of Directors.

The Foundation set aside funds, when reasonably available, to fund the plans. As voted by the Board of Directors of the Foundation, funds set aside for the plans are recorded on the financial statements as assets limited to use. Plan I has been frozen by the Foundation. Participants are 100% vested in balances held in these investment accounts. A severance benefit expense is recorded to equal the change in the investment balance from year to year. Plan II is frozen and provides that eligible employees, who terminate their employment for just cause, will receive a severance benefit equal to the lesser of (1) the value of the assets in their benefit account, or (2) twice the greater of (A) their annual compensation during the plan year immediately preceding termination of service or (B) their average annual compensation for the three consecutive years preceding termination of service.

This Plan provides a supplement benefit to the extent the benefit account assets exceed the compensation benefit, subject to certain age modifications.

Accrued SERP Obligation

The Foundation established the CHMC Cardiovascular Surgical 2005 Supplemental Executive Retirement Plan (SERP), effective as of January 1, 2005, to reward licensed physician employees with a benefit based on service. Under the terms of the plan, each eligible employee became a participant on January 1, 2005. All other employees become participants after two years of service eligibility. The SERP's sources of contributions are from employer discretionary amounts (if any), severance benefits, and elective deferrals. The amounts are vested after five years, attainment at age 63, death, disability or change in control. The amounts are subject to forfeiture for termination prior to vesting date and severance from service before age 63, death or disability.

(c) Been indebted to a related party?

The Foundation was organized and is operated exclusively for the benefit of Children's Hospital (the "Hospital") and the Harvard Medical School ("Harvard"). Certain key members of the Foundation's management are employees of the Hospital. The statement of principles and procedures between the Foundation and the Hospital provides that the Cardiovascular Surgeon-in-Chief of the department shall be the president of the Foundation. Under the Harvard system of "joint appointments," each member of the Department of Cardiovascular Surgery is also a faculty member of Harvard and is automatically a member of the Foundation and the Hospital. The Foundation's budgets are subject to the Hospital's approval. Accordingly, the Board of Trustees of the Hospital may have significant influence over the Foundation's operating procedures.

In an effort to generate cost savings, the Hospital has a purchased services program in which the Foundation participates. Medical and office supplies (and a variety of other services) are ordered by the Foundation through the Hospital's purchasing department. Certain Hospital employees perform medical support and administrative services for the Foundation, and the Foundation uses certain Hospital medical and administrative equipment.

Included in operating expenses are expense reimbursements to the Hospital for payments made on the Foundation's behalf in the amount of $1,921,701 for the period 10/1/11 - 9/30/12. These include reimbursements to the Hospital for salaries and fringes in the amount of $1,603,988 for the period 10/1/11 - 9/30/12. At September 30, 2012, the Foundation owed the Hospital $899,108. The Foundation acquires professional liability insurance (malpractice) through the Hospital, as part of a pool that includes physicians affiliated with Harvard. Malpractice insurance expense amounted to $208,565 for the period 10/1/11 - 9/30/12.

Working in conjunction with the Hospital, the Physicians' Organization at Children's Hospital, Inc. (the "P.O.") provides coordination and general oversight of the pediatric clinical and surgical practices, and related health care services. The P.O. charges the Foundation membership dues for these services. The Foundation incurred P.O. dues in the amount of $111,516 for the period 10/1/11 - 9/30/12. At September 30, 2012, the Foundation owed the P.O. $40,995.

(d) Allow a related party to be indebted to it?

The Foundation receives income from the Hospital for providing administration, supervision, and teaching services. Total income earned from the Hospital amounted to $469,182 for the period 10/1/11 - 9/30/12.

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On behalf of the Foundation, the Physicians' Organization at Children's Hospital, Inc. negotiates contracts with certain third-party payers that include risk-sharing arrangements, with settlements based on utilization, plan participants, and enhanced rate reimbursements.

At September 30, 2012, amounts due from Children's Hospital were $79,028. This amount represents revenue and expense reimbursements for the current period, not remitted by the Hospital until the following fiscal year.

(f) Furnished goods, services, or facilities from a related party who received compensation other than value in return?

The Physician employees to the Foundation furnish services to patients of Children's Hospital. Charges for these services are billed directly to patients by the Foundation.

(g) Acquired goods, services, or facilities from a related party who received compensation or other value in return?

Goods, services, and facilities acquired for compensation from:

Children's Hospital Corporation
300 Longwood Avenue
Boston, MA 02115

Physicians' Organization at Children's Hospital, Inc.
300 Longwood Avenue
Boston, MA 02115

See explanation (c) above for details.

(h) Paid or became obligated to pay wages, salary, or other compensation to a related party?

In an effort to generate savings, the Hospital has a purchased services program in which the Foundation participates. Medical and office supplies (and a variety of other services) are ordered by the Foundation through the Hospital's purchasing department. Certain Hospital employees perform medical support and administrative services for the Foundation, and the Foundation uses certain Hospital medical and administrative equipment.

Included in operating expenses are expense reimbursements to the Hospital for payments made on the Foundation's behalf in the amount of $1,921,701 for the period 10/1/11 - 9/30/12. These include

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reimbursements to the Hospital for salaries and fringes in the amount of $1,603,988 for the period 10/1/11 - 9/30/12. At September 30, 2012, the Foundation owed the Hospital $899,108.

Salaries are paid to officers and directors of the Foundation for medical services rendered (see Form 990, Part VII). See Statement 2 for the names and addresses of physician employees who are officers and directors.

(m) Did the organization make a grant award or contribution to any organization in which any of its officers or trustees has a relationship?

During the period 10/1/11 - 9/30/12, the Foundation donated $954,400 to Children's Hospital Boston.

Signature Required

Under penalty of perjury, I declare that the information furnished in this report, including all attachments, is true and correct to the best of my knowledge.

Signature: [signature] Date: 8-8-2013

Printed Name: PEDRO J. DEL NIDO

Title: PRESIDENT

Name of Preparer: MARCUM LLP [signature] 8/7/13

Address 53 STATE STREET, FLOOR 38

City BOSTON State MA ZIP Code 02109

Phone Number (617)742-9666

Schedule RO

1. Please read the instructions and definition of "Related Organization" carefully before completing this section. *(If you have more than five Related Organizations, please attach a list)*

Name: CHILDREN'S HOSPITAL CORP.		Primary purpose or activity: HEALTHCARE		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)
09/30/12	1044242000.		1356307000.	2400549000.

Name: PHYS ORG AT CHILDREN'S HOSPITAL		Primary purpose or activity: HEALTHCARE/PHYS SUPPORT		
FYE	A. Donor restricted funds (-) liabilities	B 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)
09/30/12			18,236,052.	18,236,052.

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D Total net assets (A+B+C)

Schedule RO ctd.

2. List the total compensation paid by your organization and/or any other related organization to your chief executive (e.g executive director) and to the four other current or former directors, trustees, officers, or employees within the system of related organizations identified at question 1, above, receiving the highest aggregate compensation (*see instructions*). Use additional lines below to itemize by compensation source.

Name: PEDRO DEL NIDO, MD		Title: PRESIDENT	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHMC CV SURGICAL FDT	819,875.	117,965.	

Name: JAMES MANDELL, MD		Title: CHIEF EXECUTIVE OFFICER	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHILDREN'S HOSPITAL	1,026,427.	464,208.	13,250.

Name: SANDRA FENWICK		Title: PRES./CHIEF OPERATING OFFICER	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHILDREN'S HOSPITAL	746,506.	291,765.	10,750.

Name: JOHN E. MAYER, JR., MD		Title: SECRETARY/TREASURER	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHMC CV SURGICAL FDT	897,117.	195,207.	

Name: FRANK A. PIGULA, MD		Title: DIRECTOR	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHMC CV SURGICAL FDT	719,640.	178,842.	

3. Is asset and/or compensation information for religious organizations and/or certain non-charitable entities related to foundations excluded pursuant to instructions? ☐ Yes ☒ No

Schedule RO ctd.

2. List the total compensation paid by your organization and/or any other related organization to your chief executive (e.g. executive director) and to the four other current or former directors, trustees, officers, or employees within the system of related organizations identified at question 1, above, receiving the highest aggregate compensation (*see instructions*). Use additional lines below to itemize by compensation source.

Name: SITARAM M. EMANI, MD		Title: DIRECTOR	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:
CHMC CV SURGICAL FDT	620,805.	140,147.	

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

3. Is asset and/or compensation information for religious organizations and/or certain non-charitable entities related to foundations excluded pursuant to instructions? ☐ Yes ☐ No

AG E 016716

Form **8868** (Rev. January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☑
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	CHMC Cardiovascular Surgical Foundation, Inc.	☑ 04-2764370
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	300 Longwood Avenue	☐
	City, town or post office, state, and ZIP code For a foreign address, see instructions.	
	Boston, MA 02115	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Pedro J. Del Nido, MD, 300 Longwood Avenue, Boston, MA 02115

Telephone No. ▶ 617-355-6280 FAX No. ▶ N/A

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A . If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 20 13, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☑ tax year beginning October 1, 20 11, and ending September 30, 20 12.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Massachusetts AG# 016716

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

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

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	CHMC Cardiovascular Surgical Foundation, Inc.	☑ 04-2764370
File by the due date for filing your return See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	300 Longwood Avenue	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Boston, MA 02115	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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

• The books are in the care of ▶ Pedro J. del Nido, MD, 300 Longwood Avenue, Boston, MA 02115
Telephone No ▶ 617-355-8290 FAX No. ▶ N/A
• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A . If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until August 15, 20 13.
5 For calendar year ____, or other tax year beginning October 1, 20 11, and ending September 30, 20 12.
6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period
7 State in detail why you need the extension *We are in the process of compiling all of the necessary documentation to ensure that we file an accurate and complete return.*

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

Signature and Verification must be completed for Part II only.

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

Signature ▶ _____ Title ▶ _____ Date ▶ 5/6/13