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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning JUL 1, 2012 and ending JUN 30, 2013

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

C Name of organization
Children's Orthopaedic Surgery Foundation, Inc.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
300 Longwood Avenue HU221

City, town, or post office, state, and ZIP code
Boston, MA 02115

F Name and address of principal officer: James R. Kasser, MD
same as C above

D Employer identification number
04-2943146

E Telephone number
(617) 355-8699

G Gross receipts $ 40,720,980.

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

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

H(c) Group exemption number ▶

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

J Website: ▶ N/A

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1986 M State of legal domicile: MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities: The Foundation provides orthopaedic surgery services, medical research, and (see Schedule O)

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	23
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 2012 (Part V, line 2a)	5	28
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-656.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-656.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	20,000.	2,000,000.
9	Program service revenue (Part VIII, line 2g)	38,548,626.	38,179,594.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	719,583.	541,386.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	39,288,209.	40,720,980.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	5,168,880.	114,214.
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)	26,801,512.	28,809,694.
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)	6,551,924.	7,102,001.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	38,522,316.	36,025,909.
19	Revenue less expenses. Subtract line 18 from line 12	765,893.	4,695,071.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	53,247,037.	59,124,426.
21	Total liabilities (Part X, line 26)	9,168,748.	9,572,302.
22	Net assets or fund balances. Subtract line 21 from line 20	44,078,289.	49,552,124.

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

▶ James R. Kasser, MD President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Nicholas E. Port	Preparer's signature	Date: 3/31/14	Check ☐ if self-employed	PTIN: P01310283
Firm's name ▶ Baker, Newman, & Noyes, LLC			Firm's EIN ▶	01-0494526
Firm's address ▶ 280 Fore Street, Portland, ME 04101			Phone no.	(800)244-7444

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 orthopaedic surgery services to patients at Boston Children's Hospital and other health care providers at satellite locations. The mission strives to provide care for patients with a wide range of developmental, congenital, (see Schedule O)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ... ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ... ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the 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 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 $ 33,366,820. Including grants of $ 114,214.) (Revenue $ 36,797,887.)
The Foundation provides orthopaedic surgery services primarily to patients at Boston Children's Hospital 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 in need of orthopaedic services regardless of their ability to pay, as well as providing and subsidizing hospital and community based services that are limited in the community.

4b (Code:) (Expenses $ 1,031,963. Including grants of $) (Revenue $ 1,381,707.)
The Foundation carries on and promotes basic and applied medical research and education in the field of orthopaedics by teaching students and other medical and scientific personnel; by providing or supplementing income to research personnel through fellowships, research grants, and stipends; and by giving lectures and publishing information concerning problems and research results in the field of pediatric orthopaedics in order to educate the general public and the medical profession.

4c (Code:) (Expenses $ Including grants of $) (Revenue $)

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

4e Total program service expenses ▶ 34,398,783.

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, for escrow or custodial account liability; 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 and XII*	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 and XII 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, highest 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, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, 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		
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 11b 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	33		
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		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	28		
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 as charitable contributions?	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	23		
	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 ☐ Other *(explain in Schedule O)*

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: ▶

Dean Bauer - (617) 355-8699

300 Longwood Avenue, Boston, MA 02115

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

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 (list any hours for related organizations below line)	(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) James R. Kasser, MD	55.00									
President	5.00	X		X				1,035,642.	0.	88,995.
(2) John B. Emans, MD	60.00									
Treasurer		X		X				938,723.	0.	51,000.
(3) Peter M. Waters, MD	60.00									
Clerk		X		X				1,137,145.	0.	88,931.
(4) Mininder S. Kocher, MD	60.00									
Director		X						1,374,009.	0.	77,062.
(5) Daniel J. Hedequist, MD	60.00									
Director		X						914,716.	0.	72,266.
(6) Donald S. Bae, MD	60.00									
Director		X						901,863.	0.	84,837.
(7) Lawrence I. Karlin, MD	60.00									
Director		X						850,469.	0.	98,876.
(8) Yi-Meng Yen, MD	60.00									
Director		X						771,017.	0.	70,806.
(9) Samantha A. Spencer, MD	60.00									
Director		X						766,916.	0.	61,337.
(10) Michael P. Glotzbecker, MD	60.00									
Director		X						763,266.	0.	74,312.
(11) Benjamin J. Shore, MD	60.00									
Director		X						762,000.	0.	66,998.
(12) Dennis E. Kramer, MD	60.00									
Director		X						746,588.	0.	84,538.
(13) Michael B. Millis, MD	60.00									
Director		X						697,473.	0.	72,884.
(14) Martha M. Murray, MD	60.00									
Director		X						694,838.	0.	54,514.
(15) Young-Jo Kim, MD	60.00									
Director		X						694,666.	0.	68,175.
(16) M. Timothy Hresko, MD	60.00									
Director		X						680,147.	0.	603,350.
(17) Benton E. Heyworth, MD	60.00									
Director		X						635,941.	0.	81,770.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(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			
(18) Travis H. Matheney, MD Director	60.00	X						622,166.	0.	61,337.
(19) Seymour Zimbler, MD Director	60.00	X						456,138.	0.	84,299.
(20) Brian Snyder, MD Director	60.00	X						445,697.	0.	64,744.
(21) Gregory J. Melkonian, MD Director	60.00	X						430,074.	0.	78,825.
(22) Susan Mahan, MD Director	60.00	X						352,266.	0.	76,424.
(23) Lyle J. Micheli, MD Director	2.00	X						0.	0.	0.
(24) Physicians' Org. at CH, Inc. Independent Board Member	2.00		X					0.	0.	0.
(25) Thomas Hart Key Executive	60.00					X		375,763.	0.	55,892.
(26) Matthew Warman, MD Physician	60.00					X		145,000.	0.	0.
1b Sub-total								17,192,523.	0.	2222172.
c Total from continuation sheets to Part VII, Section A								113,484.	0.	8,732.
d Total (add lines 1b and 1c)								17,306,007.	0.	2230904.

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 ▶ 25

		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	Billing Services	946,397.
Brownson, Rhemus, & Foxworth, 560 White Plains Road, #305, Tarrytown, NY 10591	Investment Advisors	105,619.

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

See Part VII, Section A Continuation sheets

Part VIII Statement of Revenue

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

			(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	2,000,000.			
	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		2,000,000.			
Program Service Revenue		Business Code				
	2a Patient service revenue	621300	26,576,996.	26,576,996.		
	b Other service revenue	621300	10,220,891.	10,220,891.		
	c Research, service & other revenue	541700	1,005,596.	1,005,596.		
	d Administrative, teaching & suppor	611710	376,111.	376,111.		
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		38,179,594.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		541,386.		-656.	542,042.
	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					
	c Gain or (loss)					
	d Net gain or (loss)					
	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					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d					
	12 Total revenue. See instructions.		40,720,980.	38,179,594.	-656.	542,042.

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).

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	114,214.	114,214.		
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	19,791,700.	19,791,700.		
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	8,576,007.	7,289,606.	1,286,401.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	2,775.	2,775.		
10 Payroll taxes	439,212.	411,675.	27,537.	
11 Fees for services (non-employees):				
a Management				
b Legal	16,432.		16,432.	
c Accounting	49,778.		49,778.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	64,718.		64,718.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,571,520.	1,428,185.	143,335.	
12 Advertising and promotion				
13 Office expenses	861,206.	822,281.	38,925.	
14 Information technology				
15 Royalties				
16 Occupancy	745,027.	745,027.		
17 Travel	5,221.	5,221.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	391,901.	391,901.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	16,741.	16,741.		
23 Insurance	681,652.	681,652.		
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 Research and education	865,738.	865,738.		
b Bad debt expense	797,566.	797,566.		
c PO dues	562,833.	562,833.		
d Outside medical service	471,668.	471,668.		
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	36,025,909.	34,398,783.	1,627,126.	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

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	21,007.	1	17,533.
	2	Savings and temporary cash investments	9,494,132.	2	3,122,448.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	3,836,674.	4	3,588,125.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	1,992,666.	5	1,618,000.
	6	Loans and other 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 instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	197,000.	7	110,500.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	116,733.	9	197,090.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 761,519.			
	b	Less: accumulated depreciation — 10b: 532,219.	246,041.	10c	229,300.
	11	Investments - publicly traded securities	18,250,002.	11	21,101,362.
	12	Investments - other securities. See Part IV, line 11	17,198,453.	12	24,592,873.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,894,329.	15	4,547,195.
	16	Total assets. Add lines 1 through 15 (must equal line 34)	53,247,037.	16	59,124,426.
Liabilities	17	Accounts payable and accrued expenses	388,081.	17	522,087.
	18	Grants payable		18	
	19	Deferred revenue	16,407.	19	55,095.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other 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	8,764,260.	25	8,995,120.
	26	Total liabilities. Add lines 17 through 25	9,168,748.	26	9,572,302.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ X and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	43,399,366.	27	47,078,745.
	28	Temporarily restricted net assets	678,923.	28	2,473,379.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), 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	44,078,289.	33	49,552,124.
	34	Total liabilities and net assets/fund balances	53,247,037.	34	59,124,426.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	40,720,980.
2	Total expenses (must equal Part IX, column (A), line 25)	2	36,025,909.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,695,071.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	44,078,289.
5	Net unrealized gains (losses) on investments	5	778,764.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	49,552,124.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

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

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

1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).

2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).

4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)

8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)

9 ☒ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

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 monetary support
Total									

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

Schedule A (Form 990 or 990-EZ) 2012

232021
12-04-12

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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2012.** 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 - 2011.** 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 - 2012.** 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 - 2011.** 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	819,251.	770,000.	255,000.	20,000.	2000000.	3864251.
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	33748688.	36438858.	36423952.	38548652.	38179594.	183339744
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	34567939.	37208858.	36678952.	38568652.	40179594.	187203995
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.)						187203995

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	34567939.	37208858.	36678952.	38568652.	40179594.	187203995
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	525,610.	566,458.	544,695.	717,525.	542,042.	2896330.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	525,610.	566,458.	544,695.	717,525.	542,042.	2896330.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on				2,058.	-656.	1,402.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	35093549.	37775316.	37223647.	39288235.	40720980.	190101727

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 2012 (line 8, column (f) divided by line 13, column (f))	15	98.48 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	98.32 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	1.52 %
18	Investment income percentage from 2011 Schedule A, Part III, line 17	18	1.68 %

19a **33 1/3% support tests - 2012.** 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 - 2011.** 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 ▶ ☐

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

2012

Open to Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

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

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

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

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

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

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

☐ Preservation of land for public use (e.g., recreation or 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 XIII, 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 XIII, 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 XIII.

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 XIII 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 XIII. Check here if the explanation has been provided in Part XIII ☐

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	678,923.	794,248.	884,814.	364,972.	156,642.
b Contributions	2,000,000.	20,000.	255,000.	770,000.	100,000.
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	205,544.	135,325.	345,566.	250,158.	-108,330.
f Administrative expenses					
g End of year balance	2,473,379.	678,923.	794,248.	884,814.	364,972.

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
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 XIII 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		264,239.	71,950.	192,289.
c Leasehold improvements		166,773.	129,762.	37,011.
d Equipment		330,507.	330,507.	0.
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				229,300.

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) PO Pooled Investment		
(B) Funds	24,592,873.	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	24,592,873.	

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) Due from Boston Children's Hospital	3,162,953.
(2) Due from Physicians' Organization	54,496.
(3) Due from Sports Medicine Foundation, Inc.	1,329,746.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	4,547,195.

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 Boston Children's Hospital	1,523,935.
(3) Due to Children's Sports Medicine	
(4) Foundation, Inc	186,594.
(5) Due to Physicians' Organization	138,236.
(6) Severence plan obligation	3,132,708.
(7) Accrued deferred compensation	
(8) obligation	3,045,414.
(9) Patient credit balances	55,095.
(10) Accrued professional liability	968,233.
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	9,050,215.

2. FIN 48 (ASC 740) Footnote. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII X

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	41,705,288.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	778,764.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	205,544.		
e	Add lines 2a through 2d			2e	984,308.
3	Subtract line 2e from line 1			3	40,720,980.
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 XIII.)	4b			
c	Add lines 4a and 4b			4c	0.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	40,720,980.

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

1	Total expenses and losses per audited financial statements			1	36,025,909.
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 XIII.)	2d			
e	Add lines 2a through 2d			2e	0.
3	Subtract line 2e from line 1			3	36,025,909.
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 XIII.)	4b			
c	Add lines 4a and 4b			4c	0.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	36,025,909.

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

Part V, line 4: Assets limited as to use represent assets held in trust that are available to pay for future benefits to participants of the deferred compensation plans and investments whose use has been restricted by donors to a specific time period or purpose.

Part XI, Line 2d - Other Adjustments:

Net assets released from restrictions 205,544.

Part XIII Supplemental Information *(continued)*

Part X, FIN 48 Footnote:

The Foundation is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code (the 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. 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 June 30, 2013. The Foundation's tax years from 2010 through 2013 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

2012

Open to Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ..... [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. 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
Boston Children's Hospital 300 Longwood Avenue Boston, MA 02115	04-2774441	501(c)(3)	28,550.	0.	N/A	N/A	General Support
Orthopaedic Research and Education Fund - 6300 N. River Road, Suite 700 - Rosemont, IL 60018	36-6009467	501(c)(3)	33,000.	0.	N/A	N/A	General Support
Little People of America, Inc. 250 El Camino Real, Suite 201 Tustin, CA 92780	94-2965067	501(c)(3)	10,000.	0.	N/A	N/A	General Support
Osteogenesis Imperfecta Foundation, Inc. - 804 W. Diamond Avenue, Suite 210 - Gaithersburg, MD 20878	23-7076021	501(c)(3)	10,000.	0.	N/A	N/A	General Support
Pediatric Orthopaedic Society of North America - 6300 N. River Road, Suite 700 - Rosemont, IL 60018	54-1323281	501(c)(3)	15,250.	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 ..... ▶ 5.

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

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, Part III, column (b), and any other additional information.

Schedule I, Part I, Line 2: Monitoring is provided by the Children's Orthopaedic Surgical Foundation, Inc. (the Foundation) through oversight of the terms and conditions of a written grant agreement. Multiyear agreements require yearly progress and financial reports for continuation of funding. During the year ended June 30, 2013, the Foundation only provided grant donations to other 501(c)(3) organizations.

Form 990 Children's Orthopaedic Surgery Foundation, Inc. 04-2943146

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Apurva S. Shah, MD Physician	60.00					X		113,484.	0.	8,732.
Total to Part VII, Section A, line 1c								113,484.		8,732.

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

2012

Open to Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

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 ☐ Travel for companions ☒ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ 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	X	
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		X
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, but explain in Part III.			
	☒ Compensation committee ☐ Independent compensation consultant ☒ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ 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 and Title		(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) James R. Kasser, MD	(i)	400,000.	140,550.	495,092.	51,000.	37,995.	1,124,637.	0.
President	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) John B. Emans, MD	(i)	360,000.	363,550.	215,173.	51,000.	0.	989,723.	0.
Treasurer	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Peter M. Waters, MD	(i)	400,000.	241,550.	495,595.	51,000.	37,931.	1,226,076.	0.
Clerk	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Mininder S. Kocher, MD	(i)	420,000.	303,550.	650,459.	51,000.	26,062.	1,451,071.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Daniel J. Hedequist, MD	(i)	384,000.	112,250.	418,466.	52,000.	20,266.	986,982.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Donald S. Bae, MD	(i)	300,000.	196,250.	405,613.	52,000.	32,837.	986,700.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Lawrence I. Karlin, MD	(i)	444,000.	52,250.	354,219.	52,000.	46,876.	949,345.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Yi-Meng Yen, MD	(i)	300,000.	116,650.	354,367.	52,000.	18,806.	841,823.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Samantha A. Spencer, MD	(i)	270,000.	146,650.	350,266.	52,000.	9,337.	828,253.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Michael P. Glotzbecker, MD	(i)	220,000.	196,650.	346,616.	52,000.	12,312.	827,578.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Benjamin J. Shore, MD	(i)	220,000.	196,650.	345,350.	52,000.	14,998.	828,998.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) Dennis E. Kramer, MD	(i)	225,000.	191,650.	329,938.	52,000.	31,538.	830,126.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) Michael B. Millis, MD	(i)	336,000.	303,500.	57,973.	52,000.	20,884.	770,357.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) Martha M. Murray, MD	(i)	300,000.	257,200.	137,638.	52,000.	2,514.	749,352.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) Young-Jo Kim, MD	(i)	300,000.	257,200.	137,466.	52,000.	16,175.	762,841.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) M. Timothy Hresko, MD	(i)	420,000.	137,200.	122,947.	52,000.	8,335.	740,482.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.

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 and Title		(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				
(17) Benton E. Heyworth, MD	(i)	230,000.	186,650.	219,291.	52,000.	29,770.	717,711.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) Travis H. Matheney, MD	(i)	310,000.	169,500.	142,666.	52,000.	9,337.	683,503.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) Seymour Zimbler, MD	(i)	120,000.	281,500.	54,638.	52,000.	32,299.	540,437.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) Brian Snyder, MD	(i)	300,000.	89,500.	56,197.	52,000.	12,744.	510,441.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(21) Gregory J. Melkonian, MD	(i)	168,000.	199,500.	62,574.	52,000.	26,825.	508,899.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(22) Susan Mahan, MD	(i)	168,000.	136,000.	48,266.	52,000.	24,424.	428,690.	0.
Director	(ii)	0.	0.	0.	0.	0.	0.	0.
(23) Thomas Hart	(i)	291,830.	80,722.	3,211.	52,000.	3,892.	431,655.	0.
Key Executive	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(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 1a: The Foundation provides gross-up payments for mortgage forgiveness, tuition payments, long term disability insurance, life insurance, and tax preparation fees. These payments are included as taxable wages during the year. All permanent full-time employees of the Foundation are eligible for the gross-up payments.

Part I, Line 4a: The Foundation established a nonqualified severance benefit plan called the Children's Orthopaedic Surgery Foundation, Inc. Severance Benefit Plan, effective as of September 1, 1991, to supplement the severance, death or disability benefits available to certain employees of the Foundation. The Board of Directors designates eligible employees and determines benefits. The Severance Benefit Plan was frozen as of December 31, 2004. Although the assets of the trust have been irrevocably set aside for payment of deferred compensation benefits, they are subject first to the claims of the Foundation's creditors in the event the Foundation is subject to bankruptcy proceedings. The liability owed to the plan participants as of June 30, 2013 are: James R. Kasser, MD (President) $559,888; John B. Emans, MD (Treasurer) $612,230; Peter Waters, MD (Clerk) $537,048; Michael B. Millis, MD (Director) $716,203; M. Timothy Hresko, MD

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.

(Director) $148,476; Brian Snyder, MD (Director) $69,390; Seymour Zimbler, MD (Director) $70,059; Young-Jo Kim, MD (Director) $55,512; Mininder S. Kocher, MD (Director) $257,236; and Lyle J. Micheli, MD (Director) $106,665.

Part I, Line 5: The Children's Orthopaedic Surgery Foundation, Inc. (the Foundation) paid bonus compensation based on revenues of the Foundation. Bonuses are normally paid in June and December. There is an income statement maintained for each physician. The bonuses are based on the excess balance accumulated in each physician's income statement, the performance of the physician during the six month period, the necessary reserve requirement of three month's salary plus any other reserve deemed appropriate by the Chief of the Department.

Part I, Line 7: Part I, Line 7:
Bonus compensation is determined by the Chief of Children's Orthopaedic Surgery Foundation, Inc. (the Foundation). The amounts are discretionary based on various factors, including but not limited to the financial performance of the Foundation.

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SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, 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

2012

Open To Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) No
Donald S. Bae,	Director	Retentio		X	400,000.	80,000.		X	X		X	
Samantha A. Spe	Director	Retentio		X	350,000.	70,000.		X	X		X	
Mininder S. Koc	Director	Retentio		X	640,000.	128,000.		X	X		X	
Travis H. Mathe	Director	Retentio		X	100,000.	20,000.		X	X		X	
Martha M. Murra	Director	Retentio		X	400,000.	300,000.		X	X		X	
Lawrence I. Kar	Director	Retentio		X	300,000.	120,000.		X	X		X	
Michael P. Glot	Director	Recruitm		X	100,000.	40,000.		X	X		X	
Benton E. Heywo	Director	Recruitm		X	100,000.	60,000.		X	X		X	
Yi-Meng Yen, MD	Director	Retentio		X	400,000.	320,000.		X	X		X	
Benjamin J. Sho	Director	Retentio		X	100,000.	80,000.		X	X		X	
Total ▶						$1,618,000.						

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose 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: Donald S. Bae, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Samantha A. Spencer, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Mininder S. Kocher, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Travis H. Matheney, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Martha M. Murray, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Lawrence I. Karlin, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Michael P. Glotzbecker, MD

Part V Supplemental Information

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

(c) Purpose of Loan: Recruitment

(a) Name of Person: Benton E. Heyworth, MD

(c) Purpose of Loan: Recruitment

(a) Name of Person: Yi-Meng Yen, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Benjamin J. Shore, MD

(c) Purpose of Loan: Retention

(a) Name of Person: Dennis E. Krammer, MD

(b) Relationship with Organization: Director

(c) Purpose of Loan: Retention

(d) Loan to or from organization? = From

(e) Original Principal Amount $ 400,000. (f) Balance Due $ 400,000.

(g) Loan in Default? = No

(h) Approved by Board or Committee? = Yes

(i) 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.	2012 Open to Public Inspection

Name of the organization	Employer identification number
Children's Orthopaedic Surgery Foundation, Inc.	04-2943146

Form 990, Part I, Line 1, Description of Organization Mission:

educational services to Boston Children's Hospital and Harvard Medical School. The Foundation also provides care for patients located in Massachusetts in need of orthopaedic services, regardless of their ability to pay, as well as providing and subsidizing hospital and community based services that are limited in the community.

Form 990, Part III, Line 1, Description of Organization Mission:

neuromuscular, and post traumatic problems of the musculoskeletal system. The Foundation also provides care for patients in need of orthopaedic services, regardless of their ability to pay.

Form 990, Part VI, Section A, line 1: A majority of the Children's Orthopaedic Surgery Foundation, Inc.'s (the Foundation's) board members are physicians who are not independent from the Foundation. However, the Foundation participates in an integrated delivery system with Boston Children's Hospital (the Hospital), which does have a community board. The Foundation was organized in 1986. At that time, the board was composed entirely of physicians, a board structure that was approved by the Internal Revenue Service. The Foundation has since adjusted the board structure to make it more responsive to the Hospital by adding the Physicians' Organization at Children's Hospital, Inc. (the PO) as a member. See Schedule O, Part VI, Questions 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

Name of the organization Children's Orthopaedic Surgery Foundation, Inc. | Employer identification number 04-2943146

Children's Hospital, Inc. (the PO) is a Class "C" member of Children's Orthopaedic Surgery 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.

Form 990, Part VI, Section A, line 6: The Children's Orthopaedic Surgery Foundation, Inc. (the Foundation) has three classes of members. The Chief of the Department of Orthopaedic Surgery (the Department) of Boston Children's Hospital is a Class "A" member. Each person who is a member of the Foundation, other than the Chief of the Department, may become a Class "B" member of the Foundation upon recommendation by the Class "A" member and approval of the Class "B" members. The Physicians' Organization at Children's Hospital, Inc. is a Class "C" member of the Foundation.

Form 990, Part VI, Section A, line 7a: According to the Articles of Organization, the Chief of the Department of Orthopaedic Surgery of Boston Children's Hospital is the Class "A" member of Children's Orthopaedic Surgery 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 "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

Name of the organization Children's Orthopaedic Surgery Foundation, Inc. | Employer identification number 04-2943146

any question at any meeting of the members.

Form 990, Part VI, Section A, line 7b: The Physicians' Organization at Children's Hospital, Inc. (the PO) is a Class "C" member of Children's Orthopaedic Surgery 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. As a Class "C" member of the Foundation, the PO attends the Foundation's annual meeting.

Form 990, Part VI, Section B, line 11: The detailed review will be conducted by the President of the Foundation, James R. Kasser, MD and the accountant, Dean Bauer. A copy of Form 990 will be provided to the Board 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, Inc. (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 audit

Name of the organization Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number 04-2943146

committee shall determine those individuals (including medical staff members) who shall be required to complete the disclosure statement. The 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 conflict of interest issues; or 3) review and resolve any conflict 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 Boston Children's Hospital's (the Hospital) 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 offered; and the financial

Name of the organization Children's Orthopaedic Surgery Foundation, Inc.

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stability of the Foundation. The process was followed for year ended June 30, 2013.

Form 990, Part VI, Section C, Line 19: The Foundation maintains all financial records, conflict of interest policies, and governing documents at its main office at 300 Longwood Avenue, Boston, MA 02115. The documents are available upon request.

Form 990, Part X, Column A:

The prior year column of the balance sheet on Form 990 was updated to agree to the audited financial statements, in which the prior year classifications were revised. The lines that were updated are: Line 19 was updated from $0 to $16,407; and Line 25 was upated from $9,050,215 to $8,764,260.

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
2012
Open to Public Inspection

Name of the organization: Children's Orthopaedic Surgery Foundation, Inc.

Employer identification number: 04-2943146

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

(a) Name, address, and EIN (if applicable) 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) No
Boston Children's Hospital - 04-2774441 300 Longwood Avenue Boston, MA 02115	Hospital	Massachusetts	501(c)(3)	Line 3	N/A		X
Physicians' Org. at Children's Hospital, Inc. - 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) 2012

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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	(i) Section 512(b)(13) controlled entity? Yes	(i) No

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

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
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 Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o Sharing of paid employees with related organization(s)	1o	X	
p Reimbursement paid to related organization(s) for expenses	1p	X	
q Reimbursement paid by related organization(s) for expenses	1q	X	
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		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-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" 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).