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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 10-01-2012 , 2012, and ending 09-30-2013

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

C Name of organization
Children's Hospital Corporation

Doing Business As

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

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

D Employer identification number
04-2774441

E Telephone number
(617) 355-6881

G Gross receipts $ 1,793,772,617

F Name and address of principal officer
Sandra Fenwick
300 Longwood Avenue
Boston, MA 02115

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www childrenshospital org

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

L Year of formation 1982

M State of legal domicile MA

Part I Summary

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

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	11,390
6	Total number of volunteers (estimate if necessary)	**6**	1,292
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	124,827
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-200,110

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	331,388,600	336,637,071
9	Program service revenue (Part VIII, line 2g)	989,683,001	1,007,927,735
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	23,068,790	49,054,992
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	34,327,240	47,492,694
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,378,467,631	1,441,112,492
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,978,643	3,091,073
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)	696,945,617	728,668,108
16a	Professional fundraising fees (Part IX, column (A), line 11e)	1,424,430	1,514,933
b	Total fundraising expenses (Part IX, column (D), line 25) ▶25,272,368		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	609,007,538	605,887,704
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,310,356,228	1,339,161,818
19	Revenue less expenses Subtract line 18 from line 12	68,111,403	101,950,674

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	3,698,015,571	4,026,419,766
21	Total liabilities (Part X, line 26)	1,284,225,947	1,183,972,980
22	Net assets or fund balances Subtract line 21 from line 20	2,413,789,624	2,842,446,786

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: 2014-08-08

Douglas Vanderslice Treasurer & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Jeanne M Schuster		2014-08-04		P00743154

Firm's name ▶ Ernst & Young LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 200 Clarendon Street
Boston, MA 021165072 — Phone no (617) 266-2000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the 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 $ 773,537,120 including grants of $ 3,091,073) (Revenue $ 957,123,547)

CLINICAL CARE As one of the largest pediatric hospitals in the U S and the only freestanding pediatric hospital in Massachusetts, Boston Children's provides access to safe, high quality health care services that meet the unique needs of our patients and their families, regardless of their ability to pay The services we offer - from well child visits and treatment for typical child health issues (broken bones, tonsillitis, etc) to chronic care (asthma, diabetes, obesity, etc) and specialty services (oncology, cardiology, neurology) benefit from our clinicians' high level of specialization, our collaboration with research scientists (many of whom are also physicians) affiliated with the hospital, and our significant investments in equipment, facilities and clinical and support staff Our team has a deep commitment to setting the bar for quality and safety and exceeding the expectations of our patients and their families for service, undertaking significant investments in each of these areas On an annual basis, Boston Children's sees 23,431 inpatients at our main campus, 1,327 inpatients at our satellites and 580,418 combined outpatients at main campus and satellites, 43,840 patients in our community health clinic Of these patients, more than 20% (Case Mix Index > 2 00) can be qualified as clinically complex Of these patients, approximately 32% (patients on Medicaid/Medicare) are considered low income Boston Children's is the safety net institution for very sick children throughout the region, supporting the entire health care system for the most complex pediatric cases We receive referrals from community hospitals as well as from other academic medical centers throughout New England Boston Children's is the single largest provider of care to children enrolled in the Medicaid program, caring for approximately 30% of all pediatric Medicaid patients statewide, including many of the sickest children in the state Boston Children's also provides clinical care for the largest number of uninsured children in the state, total free care and losses from Medicaid in FY 2013 were approximately $53 million Recognizing the difficulties that community-based hospitals face in providing specialized pediatric care (which requires significant investments in staff, equipment and training), Boston Children's has formed partnerships with 8 community hospitals throughout eastern Massachusetts, including Beverly Hospital, Winchester Hospital and St Elizabeth's Medical Center With approximately 100 physicians serving those community hospitals, we enhance the community's-and the state's-ability to provide access to emergency, neonatal, inpatient and outpatient specialty services for children Boston Children's also operates satellite facilities in Lexington, Peabody and Waltham where we offer specialized care in cardiology, gastroenterology, neurology, respiratory diseases, diabetes, orthopedic surgery, urology and other specialties In addition, our physicians offer outpatient services at our Physician Office Locations in Brockton, Milford, Norwood, North Dartmouth and Weymouth Each year, Boston Children's improves the quality of the clinical care it provides by recruiting talented staff, investing in cutting-edge equipment and technology, undertaking safety and quality initiatives, supporting community health programs and ensuring that our facilities make the care process easier and more comfortable for all the patients and families we serve For example Focus on Quality Boston Children's Hospital has established the Center of Excellence for Quality Measurement to improve health care delivery to children in America In 2009, the Child Health Insurance Program Reauthorization Act called for a national Pediatric Quality Measures Program to convene experts, solicit public input, and build infrastructure to advance the quality of children's health care The Center was established in response to that requirement Measuring and reporting the quality of health care based on pediatric-specific metrics is a key tool for ensuring that all children receive excellent care In 2013, Boston Children's undertook a redesign of all hospital code carts, which are used when a Code Blue is called The carts contain everything clinicians need to address most emergency situations including IV equipment, fluids and oxygen masks among other items A cross-discipline team comprised of staff from Environmental Health and Safety, the Resuscitation Quality Program, Nursing and Supply Chain used an evidence-based approach with pre- and post-tests to redesign the packed carts The redesigned carts have since been standardized throughout the hospital and have improved the code team's responsiveness Boston Children's Program for Patient Safety and Quality launched the Center for Patient Safety and Quality Research to promote faculty research in quality improvement across and beyond the hospital In addition to offering courses on safety and quality research, the center also offers grants to support that research One of the first grant recipients has used the funds to create a registry to compare the long-term outcomes of surgically repairing broken collarbones versus using a splint and letting the bone heal itself Surgical repairs are more common, more expensive and riskier and it's not yet known whether they're more effective Answering that question has the potential to significantly improve outcomes and reduce costs Encourage Innovation The Innovation Acceleration Program (IAP), which offers "Innovestment" grants and Fast track Innovation in Technology (FIT) Project awards, promotes innovation at a grass-roots level among Boston Children's employees by empowering them to develop and test their ideas In the program's first year, it funded projects ranging from technology-enhanced toys designed to help children with severe emotion regulation disorders, to new methods of closing complex ventricular septal defects, from a remote monitoring program for kids on home ventilators, to an elastic multi-electrode ECG strip FIT Project awards offer software development resources, including the support of a team of experienced software developers, for innovative clinical software projects Winning proposals have ranged from an "electronic white-board" that accurately reflects the patients on a given unit in real-time, providing essential clinical data and improved patient throughput (now in widespread use throughout Boston Children's), to an automated paging system built into Boston Children's Surginet system that reduces the total time a patient spends in an operating room by automatically notifying members of the surgical team when they are needed Expand Access Beginning in late summer 2012, Boston Children's and its physicians began working with Southcoast Health System physicians to provide hospital-based pediatric services for children and families across the South Coast region, centered at St Luke's Hospital in New Bedford Boston Children's pediatricians provide 24/7-onsite pediatric care working with local physicians in pediatrics, family medicine and emergency medicine A Boston Children's onsite Medical Director is responsible for medical oversight, development and coordination of the Southcoast hospital-based pediatric care Additionally, remote pediatric consultative services are available to the Emergency Departments at Charlton Memorial Hospital in Fall River and Tobey Hospital in Wareham Improve Care in the Community The Community Asthma Initiative (CAI) has helped to improve the health of nearly 1,000 Boston children with asthma CAI provides case-management services, offers home visits, educates caregivers and providers, distributes asthma control supplies and connects families to local resources The program has reduced the percentage of patients with asthma-related hospitalizations by 80%, emergency department visits by 51%, missed schools days by 41%, and missed work days for parents or caregivers by 42%

4b (Code) (Expenses $ 340,818,000 including grants of $ 0) (Revenue $ 154,777,000)

RESEARCH Boston Children's is dedicated to enhancing the wellbeing of children and families by leading research and innovation around child health issues, and by seeking new approaches to the prevention, diagnosis and treatment of childhood and adult diseases With over $244 million in annual funding and 800,000 square feet of space, Boston Children's is home to the world's largest and most active research enterprise at a pediatric center Boston Children's research mission encompasses basic research, clinical research, community service programs and the postdoctoral training of new scientists While the National Institutes of Health is our largest sponsor, Boston Children's has made a significant investment of more than $23 million towards supporting its research activities in 2013 Our investigators hold numerous prestigious honors and awards, including many "research firsts " In our laboratories and clinics, hundreds of scientists seek to identify the factors that contribute to both childhood and adult diseases and to develop effective treatments for them Our investigators are Harvard Medical School faculty-basic scientists, clinical researchers and epidemiologists-who are accelerating the pace of medical discovery from brainstorm to bench to bedside Our researchers were the first to develop 10 new disease-based stem cell lines by reprogramming adult stem cells that can be used to study treatments for diseases ranging from Parkinson's to Diabetes Clinicians and researchers at Boston Children's work with colleagues throughout the medical community to translate basic science research into applications for clinical care These projects frequently have applications that go beyond pediatrics to impact adult care as well For example New surgical glue for heart procedures Congenital heart defects are difficult to treat because most current therapies are invasive and it is difficult to safely secure devices inside the heart, sutures can cause stress on already fragile heart tissue and available clinical adhesives are either toxic or wash out when exposed to blood Researchers at Boston Children's teamed up with Brigham and Women's Hospital and the Massachusetts Institute of Technology to develop a non-toxic adhesive that can rapidly attach biodegradable patches inside a beating heart in the exact place where holes, like ventricular heart defects, form Injectable oxygen that gives patients air and clinicians time The brain is the most sensitive organ to low oxygen delivery Even if a patient is revived, just a few minutes without sufficient oxygen delivery to the brain can cause irreparable damage A physician in Boston Children's Cardiac Intensive Care Unit led a team that created tiny particles filled with oxygen gas which, when mixed with liquid, could be injected directly into the blood In an emergency, the injectable oxygenated liquid developed at Boston Children's can buy clinicians the time they need to start life-saving therapies Shrinking MEG (Magnetoencephalography) imaging technology to fit infant populations Two Boston Children's physicians are the architects behind Baby MEG, the country's first whole-head MEG system designed for newborns and infants Like MEG systems currently used for older patient populations, Baby MEG uses highly sensitive, helium-cooled magnetometers to record map the magnetic fields created by the brain's activities Unlike other MEG systems however, Baby MEG will be able to produce imaging data with unprecedented spatial resolution because it is loaded with extra sensors, 375 compared with the 300 typically found on MEG systems Software designed by Boston Children's and Massachusetts General Hospital's Martinos Center will also allow clinicians to view the data in real time And because MEG systems are less hampered by soft tissue swelling, Baby MEG will advance research into a wide range of disorders in newborns including epilepsy and Cerebral Palsy

4c (Code) (Expenses $ 31,979,140 including grants of $ 0) (Revenue $ 18,014,365)

TEACHING Over the course of the year, 134 residents, 292 clinical fellows, 545 research fellows and more than 900 rotating residents/fellows come to Boston Children's from around the world More importantly, these men and women are selected for their potential leadership in their respective fields and their commitment to advancing the frontiers of pediatric care In fact, a 24-year analysis of residents who have graduated from our Department of Medicine found that about 40% go on to become leaders in academic medicine, filling positions such as deans, chairs and program heads across the country Over a third of the chiefs of pediatric departments across the country trained at Boston Children's We train individuals throughout all areas of the care continuum, including medical students, interns, residents, fellows, nursing students and community pediatricians We provide continuing professional education for all of our clinical staff Boston Children's offers the only training programs in Massachusetts for Adolescent Medicine, Medical Biochemical Genetics, Neurodevelopmental Disabilities, Pediatric Cardiology, Pediatric Hematology/Oncology, Pediatric Nephrology, Pediatric Orthopedics, Pediatric Pathology, Pediatric Surgery, Pediatric Sports Medicine, Pediatric Urology, Pediatric Transplant Hepatology and Congenital Cardiac Surgery Boston Children's offers the only training programs in New England for Adolescent Medicine, Medical Biochemical Genetics, Neurodevelopmental Disabilities, Pediatric Sports Medicine, Pediatric Urology, Pediatric Transplant Hepatology and Congenital Cardiac SurgeryBoston Children's has the largest accredited training programs in the country for Child Neurology, Pediatric Anesthesiology, Pediatric Cardiology, Pediatric Endocrinology and Pediatric Otolaryngology In addition, Boston Children's Pediatric Sports Medicine is one of only 14 accredited pediatric sports medicine programs in the country and Neurodevelopmental Disabilities is one of only 9 accredited neurodevelopmental disabilities programs in the country Congenital Cardiac Surgery is one of 12 in the country, Pediatric Transplant Hepatology is one of 6 in the country, and Medical Biochemical Genetics is one of 12 in the country

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

Community Over 20 years ago, Boston Children's Hospital was among the first academic medical centers in the country to expand the traditional missions of patient care, teaching and research to embrace a fourth core mission community Through the years, the hospital has strived to ensure that community health is more than just words in its mission statement The efforts have evolved from targeted services for individual families living in Boston to innovative models that have proven to address health disparities and improve health outcomes for children Boston Children's community mission is based on what the community needs It revolves around keeping children healthy through wellness and prevention efforts, ensuring that children have access to needed health care services and partnering with others to address non-health issues that clearly impact health such as violence, employment and education In all these endeavors, Boston Children's priorities are aligned with those of the City of Boston, the Boston Public Health Commission, the Boston Public Schools as well as other key partners and city agencies Understanding community needsTo better understand current health needs in our community, Boston Children's conducts a comprehensive needs assessment every three years The findings inform the direction of the hospital's community mission and the scope of its community health work It also helps to ensure that Boston Children's is utilizing resources and leveraging community partnerships in the most effective way Our most recent assessment was conducted during 2013 The assessment focused on Boston and specifically children an d families living in our four priority neighborhoods-Roxbury, Mission Hill, Fenway and Jamaica Plain It had three goals 1) evaluate the current health status of children and families, 2) identify current health priorities as well as emerging health concerns, and 3) understand strengths, resources and gaps in health and health care services Boston Children's reviewed current data on social, economic and health indicators in Boston Data also was available through the Boston Child Health Study, a survey conducted by the Boston Public Health Commission with support from Boston Children's and its Center for Collaborative Community Research (C-CORE) The study engaged over 2,100 parents from across Boston through a phone survey It provided new perspectives from parents regarding their child's health The heart of Boston Children's assessment is direct and external feedback from community residents and stakeholders Five focus groups with community residents were held and interviews were conducted with providers, elected officials and staff from community-based organizations and health centers In total, 115 residents and stakeholders were engaged for the assessment The health needs and issues identified through our process are addressed through the hospital's clinical care, services and programs and in collaboration with community partners For a copy of the Community Health and Benefits Plan, visit bostonchildrens org/community Ongoing assessmentA formal and comprehensive needs assessment is only one part of Boston Children's approach to understanding the complex health needs and vital resources within the community Boston Children's is constantly listening and learning from patient families, community leaders and staff The staff rely on ongoing conversations with the hospital's key partners-community health centers and community-based organizations, as well as the Boston Public Health Commission and the Boston Public Schools Through the Community Advisory Board (CAB), which meets on a quarterly basis, the hospital has a direct link to expertise on Boston neighborhoods, community organizations and current health needs The CAB is instrumental in providing feedback throughout the year and in the development and execution of Boston Children's formal assessment process This feedback from experts, community leaders and partners as well as the CAB informs the hospital's community mission, facilitates and strengthens the development of partnerships and helps to shape the implementation of the hospital's Community Health and Benefits Plan For more details on the needs assessment process and key findings, visit bostonchildrens org/community A copy of the last assessment completed in 2013 as well as 2009 can also be found on the web site Serving as a safety netBoston Children's remains committed to its local community, providing primary and preventative care, as well as inpatient care for complex illnesses It is one of the leading providers of health care to low-income and underinsured children in Massachusetts and it provides care unavailable elsewhere in the state and sometimes the nation Over 30% of patients are insured through Medicaid Boston Children's is also a safety net provider for Boston children This safety net is financial in that the hospital provides free care, subsidizes care for Medicaid patients, and incurs bad debt for patient families who cannot pay for the care they receive It is programmatic in that Boston Children's offers vital, hospital-subsidized services that are either unavailable elsewhere or available only in a very limited capacity, such as mental health and dental care Being a community health leaderBoston Children's has identified four priority health area-asthma, obesity, mental health and child development-and developed a programmatic response to each Community programs are focused where the hospital has clinical expertise, resources and partnerships to make a difference The hospital's strategy for improving community health aims to 1) address the most pressing health needs of children and families, 2) provide services through program that can lead to improvements in health, or 3) build community capacity to better meet the needs of children and families Some of these programs are described briefly below - The Community Asthma Initiative (CAI) has helped to improve the health of nearly 1,000 Boston children with asthma CAI provides case-management services, offers home visits, educates caregivers and providers, distributes asthma control supplies and connects families to local resources The program has reduced the percentage of patients with asthma-related hospitalizations by 80%, emergency department visits by 51%, missed schools days by 41%, and missed work days for parents or caregivers by 42% - Children's Hospital Neighborhood Partnerships Program (CHNP) is our community mental health program CHNP places clinicians in Boston schools and community health centers to provide a comprehensive array of mental health services, reaching more than 2,000 children and adolescents in school settings CHNP has increased access to mental health services by helping students in participating schools receive therapy services in an average of 7 days, compared to 42 days in outpatient settings - Fitness in the City (FIC) is a community-based approach to addressing obesity FIC supports 10 Boston community health centers to provide almost 1,000 children annually with case-management support, as well as access to nutrition and physical activity programs Almost 63% of children participating in FIC have reduced or maintained their Body Mass Index and have made behavioral changes such as reducing consumption of sugar sweetened beverages and increasing the amount of time being physically active - The Advocating Success for Kids Program (ASK) provides access to intensive and critically needed services for hundreds of children experiencing school-functioning problems and learning delays through Boston Children's primary care clinic and in three Boston community health centers ASK has successfully reduced the wait times for families seeking in-demand assessment and case management services For details on the programs mentioned above visit, bostonchildrens org/community Supporting and working with community partnersBoston Children's has relationships with a wide array of community partners who provide a voice for the families and neighborhoods they represent Boston Children's partners help to ensure that the hospital better understands the needs, uniqueness and strengths that lie within each community In addition, Boston Children's has three strategic partners-key entities that form the child health infrastructure in Boston-the Boston Public Schools, Boston Public Health Commission and community health centers Boston Public SchoolsBoston Children's and the Boston Public Schools (BPS) have worked together on a range of initiatives over the past several years Key highlights from our work in FY 13 include

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

- Continued implementation of the district-wide Behavioral Health model jointly developed by Boston Children's and the BPS As a result of its partnership and experiences in the BPS, Children's Hospital Neighborhood Partnerships has been the main partner in the development and implementation of a new district-wide behavioral health model The model enables schools to provide a comprehensive system of care that integrates appropriate levels of behavioral support for all students In FY13, the model was piloted in 23 schools - Implemented health and nutrition education programming for BPS students, parents and caregivers through the Kohl's Healthy Family Fun Program (KohlsHealthyFamilyFun org) Working in collaboration with the BPS, Boston Children's is helping to implement Healthy Family Fun events in 22 schools in the district Healthy Family Fun events engage families and children to learn more about healthful eating and physical activity The plan is to reach over 5,600 participants during the 2013-2014 school year Boston Public Health CommissionBoston Children's has been a longtime partner with the BPHC, working together on pressing health issues and supporting efforts to help children, adolescents and young adults, including - A new report, The Health of Boston's Children Parent and Caregiver Perspectives, is the result of a partnership between the BPHC and Boston Children's to survey 2,100 parents and caregivers about a variety of health-related issues for children from birth to age seventeen The purpose of this study was to encourage public dialogue and to develop programs, services and research to improve health outcomes for children - The second part of the study will be released later in 2014 and includes an assessment of the environmental factors that impact child health The final piece is an analysis of health insurance claims data, which will provide a better understanding of health care utilization and the overall health of Boston children- Participation in the BPHC's Tobacco-Free Hospital Initiative and Sugar-sweetened Beverage Learning Network, which resulted in the formation of an internal Healthy Hospital Workgroup - This group has recommended and implemented changes to help improve the healthy environment at Boston Children's for patients, families and staff Community Health CentersBoston Children's supports ten community health centers to 1) build capacity to provide a full range of services in order to position them as part of providing an effective medical home for children, 2) provide pediatric services that address the most pressing health issues affecting children, and 3) demonstrate their value through effective assessment and reporting of quality outcomes Boston Children's provides financial and programmatic support to 10 Boston community health centers Bowdoin Street, Brookside, Dimock, Joseph Smith, South Cove, South End, Southern Jamaica Plain, Upham's Corner, Whittier Street and Mattapan These health centers provide primary care and support, including medical, dental and mental health services, to an estimated 33,000 Boston children and their families, particularly the uninsured and underinsured With support from Boston Children's, the health centers have been able to focus on not only the quality of care provided but how they can expand the range of services delivered, serving as part of the patient-centered medical home After evaluating access to primary care services, Boston Children's decided to transform its Martha Eliot Health Center into a center focused solely on serving children and adolescents This transition occurred during 2013 and adult patients were transferred to partners in the Boston area accepting new adult patients Boston Children's continues to focus on addressing the care and social needs of children and families in the area The hospital is also working to increase access to pediatric, adolescent and mental health services through Boston Children's at Martha Eliot For more details on Boston Children's community partnerships, visit bostonchildrens org/community Addressing social determinants of healthRecognizing the link between social and health issues, Boston Children's actively participates and collaborates with its key community partners to respond to social determinants of health, which are non-medical issues that have a significant impact on individual and community health Boston Children's focuses on providing support at the individual, family and community levels Based on community need and the hospital's expertise, Boston Children's focuses its efforts and partnerships in three areas - Education and schools Boston Children's partners closely with the Boston Public Schools (BPS) to support and strengthen the system as well as to work directly in school settings to reach students and help families overcome barriers that may prevent their children from functioning well in school See above on BPS These programs include the Children's Hospital Neighborhood Partnerships Program, the Advocating Success for Kids Program and various efforts in the area of child development - Workforce Development Boston Children's recognizes that one of the most significant ways to provide community support and ensure a diverse workforce is the recruitment and retention of Boston residents as employees The hospital's comprehensive workforce development efforts are in partnership with local organizations such as Sociedad Latina, Fenway Community Development Corporation and Jewish Vocational Services Boston Children's also supports the pipeline of health care workers by exposing youth to careers in the health field Programs include SCOOP for students interested in nursing careers and the COACH program, which provides opportunities for high school students to work at the hospital during the summer - Partnering to support the health care infrastructure Boston Children's is also committed to and directs resources to build capacity within the existing infrastructure of care for Boston children and families This means supporting key partners-the Boston Public Health Commission (BPHC) and 10 Boston community health centers See above for more on BPHC and community health centers Advocating for children and familiesInfluencing public policy to improve child health is an important aspect of Boston Children's commitment to community health As the leading provider of medical and behavioral services to low-income children in Boston and Massachusetts as well as a critical safety net for children throughout New England, Boston Children's has been an organized force and an influential advocate for children for more than 20 years Boston Children's is a forceful advocate on legislative and regulatory matters in Massachusetts that affect children's wellbeing, such as increasing access to quality pediatric mental health programs and promoting better treatment models for children with chronic conditions, such as asthma Our advocacy history is rooted in the promotion of better insurance coverage for children, including major child health expansions in the 1990s, strong involvement in Massachusetts' Affordable Care Today Coalition (the catalyst behind the passage of Massachusetts' 2006 health reform law), and significant national involvement in work to promote child health access through the Children's Health Insurance Program and the Affordable Care Act As a result, Massachusetts has achieved near universal health access for children, with less than 1 percent of children uninsured-the lowest rate in the country In recent years, Massachusetts has emphasized payment reform and cost containment policies within the health care system Boston Children's played an active and vocal role in the development of the groundbreaking payment reform legislation that was signed into law in August 2012 The hospital's advocacy resulted in numerous considerations for children, including developing pediatric standards for Accountable Care Organizations and studying the impact of the law on access to high quality care for children The law also added language to improve retention in the MassHealth program, at Boston Children's urging

(Code) (Expenses $ 7,170,845 including grants of $ 0) (Revenue $ 0)

In 2006, Boston Children's (including its Boston Children's Hospital Neighborhood Partnerships Program for details see above) and a coalition of community organizations launched the Children's Mental Health Campaign (CMHC) The CHMC has converted its credibility and influence into several major policy accomplishments which have redefined the landscape of the children's mental health system in Massachusetts In 2008, the CHMC was instrumental in securing passage of two landmark state laws An Act Relative to Children's Mental Health (Chapter 321) creates a structure for enhancing early identification, treating children in the most appropriate settings, enhancing coordination among state health care agencies and establishing mechanisms for oversight of and input into the state children's mental health system Chapter 256 strengthened the state's mental health parity law by expanding the categories of disorders for which health insurance plans must provide mental health benefits The CHMC is determined to hold key stakeholders accountable for implementing the new laws secured through its advocacy efforts Current efforts address mental health parity compliance (legislative and regulatory), access to appropriate levels of care, and comprehensive school based services, among others Additionally, Boston Children's works in collaboration with a host of public health and injury prevention advocates to ensure public policies work to keep children safe and healthy Of note, in recent years, Boston Children's engaged in efforts that led to the passage of laws prohibiting children under the age of fourteen from riding all-terrain vehicles (ATVs), requiring those involved with school athletics to be trained in the recognition and management of brain injuries, and establishing healthy standards for snacks and beverages sold in school vending machines, school stores and cafeterias Boston Children's has established the over 4,000 member Children's Advocacy Network (CAN), a grassroots advocacy network that leverages the many voices of families, hospital staff, and community partners in support of child health Since 2006, the hospital has trained over 300 advocates through an annual in-depth, five-session training series that gives advocates a better understanding of the legislative process and the skills needed for effective advocacy The CAN hosts monthly "Advocacy Lunch & Learns", which offer hospital staff and community partners a forum each month to learn about a current issue related to children's health policy and explore ways to advocate for children Staff members from departments throughout the hospital regularly engage with the CAN in order to receive information about policy changes that may impact their patient population or schedule in-service presentations about current events in Washington and at the state level

4d Other program services (Describe in Schedule O)
(Expenses $ 7,170,845 including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 1,153,505,105

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
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		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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		No
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	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
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	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	Yes	
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	859		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	11,390		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a		Yes	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		Yes	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		Yes	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	1		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 20		
	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** 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
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**	Yes	
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**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
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**	Yes	
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**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
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**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
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 Form 1023 (or 1024 if applicable), 990, and 990-T (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 ▶ Douglas Vanderslice 300 Longwood Avenue Boston, MA (617) 355-7312

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, or 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 dotted 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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								15,488,334	0	1,433,867

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 ▶ 1,432

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization 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
Walsh Brothers Inc 210 Commercial Street Boston MA 02109	Construction Services	45,946,571
The Brigham and Women's Hospital 75 Francis Street Boston MA 02115	Healthcare/Research Services	9,967,240
Turner Construction Company Two Seaport Lane Boston MA 02210	Construction Services	8,579,273
Harvard Vanguard Medical Associates 275 Grove Street Newton MA 02466	Healthcare Service	8,280,000
Wise Construction 21 East Street Winchester MA 01890	Construction Services	7,516,877
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 ▶ 202		

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 13,834				
	b	Membership dues	1b				
	c	Fundraising events	1c 4,110,909				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e 198,547,108				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 133,965,220				
	g	Noncash contributions included in lines 1a-1f $	13,722,319				
	h	**Total.** Add lines 1a-1f		336,637,071			
Program Service Revenue			Business Code				
	2a	Patient Svc Revenue	621110	957,016,999	957,016,999		
	b	Prog Svc Grants	621110	31,362,916	31,362,916		
	c	Graduate Medical Educa	611710	18,014,365	18,014,365		
	d	Prof Svc Revenue	621110	1,426,907	1,426,907		
	e	Lab Revenue	621500	106,548		106,548	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		1,007,927,735			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		7,082,611		18,279	7,064,332
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties		1,551,955			1,551,955
			(i) Real / (ii) Personal				
	6a	Gross rents	14,334,833				
	b	Less rental expenses	0				
	c	Rental income or (loss)	14,334,833				
	d	Net rental income or (loss)		14,334,833			14,334,833
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	392,937,361 / 77,786				
	b	Less cost or other basis and sales expenses	351,042,766 / 0				
	c	Gain or (loss)	41,894,595 / 77,786				
	d	Net gain or (loss)		41,972,381			41,972,381
	8a	Gross income from fundraising events (not including $ 4,110,909 of contributions reported on line 1c) See Part IV, line 18	a 1,022,060				
	b	Less direct expenses	b 1,567,947				
	c	Net income or (loss) from fundraising events		-545,887			-545,887
	9a	Gross income from gaming activities See Part IV, line 19	a 334,095				
	b	Less direct expenses	b 49,412				
	c	Net income or (loss) from gaming activities		284,683			284,683
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Other General Services	900099	21,211,809			21,211,809
	b	Parking Revenue	812930	6,186,098			6,186,098
	c	Cafeteria Sales	722210	4,469,203			4,469,203
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		31,867,110			
	12	**Total revenue.** See Instructions		1,441,112,492	1,007,821,187	124,827	96,529,407

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	2,032,810	2,032,810		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	1,058,263	1,058,263		
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	13,436,816	739,566	11,988,205	709,045
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	569,749,824	502,845,214	54,901,016	12,003,594
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	32,239,126	30,985,757	240,828	1,012,541
9 Other employee benefits	67,480,062	65,341,358	410,941	1,727,763
10 Payroll taxes	45,762,280	43,983,168	341,847	1,437,265
11 Fees for services (non-employees)				
a Management	5,361,063		5,361,063	
b Legal	2,413,695		2,396,940	16,755
c Accounting	1,074,608		1,074,608	
d Lobbying	56,620	56,620		
e Professional fundraising services See Part IV, line 17	1,514,933			1,514,933
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	134,456,075	106,649,230	27,806,845	
12 Advertising and promotion	4,260,467	4,036,148	224,319	
13 Office expenses	29,744,174	15,140,842	10,167,049	4,436,283
14 Information technology	41,279,305		40,805,946	473,359
15 Royalties . .				
16 Occupancy	79,469,823	77,537,475	921,211	1,011,137
17 Travel	5,547,107	4,607,291	867,399	72,417
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,733,116	976,394	691,950	64,772
20 Interest	27,721,128	27,721,128		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	95,588,897	94,796,393		792,504
23 Insurance	4,433,021	2,248,843	2,184,178	
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 Lab/Medical/Pharmacy	129,735,877	129,735,877		
b Uncollecible Accts	20,723,421	20,723,421		
c Free Care	14,394,514	14,394,514		
d Uncompensated Care	7,894,793	7,894,793		
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	1,339,161,818	1,153,505,105	160,384,345	25,272,368
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 . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		-1	1	
	2	Savings and temporary cash investments		2,758,182	2	626,167
	3	Pledges and grants receivable, net		141,908,377	3	170,056,900
	4	Accounts receivable, net		147,017,285	4	152,885,784
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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 instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		13,600,355	8	13,468,461
	9	Prepaid expenses and deferred charges		7,160,623	9	10,028,709
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,120,972,815			
	b	Less accumulated depreciation	10b 1,207,394,265	835,344,434	10c	913,578,550
	11	Investments—publicly traded securities		418,564,746	11	505,545,054
	12	Investments—other securities See Part IV, line 11		532,642,336	12	543,117,336
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,599,019,234	15	1,717,112,805
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		3,698,015,571	16	4,026,419,766
Liabilities	17	Accounts payable and accrued expenses		218,359,878	17	222,700,118
	18	Grants payable			18	
	19	Deferred revenue		59,065,613	19	67,973,092
	20	Tax-exempt bond liabilities		466,906,527	20	466,102,994
	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		200,000,000	23	200,000,000
	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		339,893,929	25	227,196,776
	26	**Total liabilities.** Add lines 17 through 25		1,284,225,947	26	1,183,972,980
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,367,419,032	27	1,685,520,185
	28	Temporarily restricted net assets		453,963,015	28	535,413,501
	29	Permanently restricted net assets		592,407,577	29	621,513,100
		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		2,413,789,624	33	2,842,446,786
	34	Total liabilities and net assets/fund balances		3,698,015,571	34	4,026,419,766

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,441,112,492
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,339,161,818
3	Revenue less expenses Subtract line 2 from line 1	3	101,950,674
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,413,789,624
5	Net unrealized gains (losses) on investments	5	92,907,041
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-2,234,125
9	Other changes in net assets or fund balances (explain in Schedule O)	9	236,033,572
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,842,446,786

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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	Yes	
	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	Yes	
	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	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Stephen Karp Trustee - Chairman	5 00 5 00	X						0	0	0
Douglas Berthiaume Trustee - Vice Chair	2 00 2 00	X						0	0	0
Allan Bufferd Trustee	1 00 1 00	X						0	0	0
Kevin Churchwell MD EVP & COO/Noncomp Trustee	55 00 5 00	X						0	0	0
Gary Fleisher MD Trustee, ex officio	1 00 1 00	X						0	0	0
William Harmon MD Trustee, ex officio	1 00 1 00	X						0	0	0
Winston Henderson Trustee	1 00 1 00	X						0	0	0
Mira Irons MD Trustee,ex officio (thru 9/1/13)	1 00 1 00	X						0	0	0
James Kasser MD Trustee,ex officio	1 00 1 00	X						0	0	0
Harvey Lodish PhD Trustee	1 00 1 00	X						0	0	0
Gary Loveman Trustee	1 00 1 00	X						0	0	0
Ralph C Martin Trustee	1 00 1 00	X						0	0	0
Thomas Melendez Trustee	1 00 1 00	X						0	0	0
Robert A Smith Trustee	1 00 1 00	X						0	0	0
Robert Smyth Trustee	1 00 1 00	X						0	0	0
Eileen Spring MSNRN CNO/Noncomp Trustee (thru 5/1/13)	55 00 5 00	X						537,722	0	50,979
Alison Taunton-RigbyPhD Trustee	1 00 1 00	X						0	0	0
Ann Thornburg Trustee (thru 7/1/13)	1 00 1 00	X						0	0	0
Marc B Wolpow Trustee	1 00 1 00	X						0	0	0
Laura J Wood DNP MS RN CNO/Noncomp Trustee	55 00 5 00	X						0	0	0
Gregory Young MD Trustee	1 00 1 00	X						0	0	0
James Mandell MD CEO/Noncomp Trustee,ex officio	55 00 6 00	X		X				1,408,715	0	64,818
Sandra Fenwick President & COO, Noncomp Trustee	55 00 5 00	X		X				968,767	0	54,896
Bruce Balter Acting Treasurer/Dir Corp Finance	55 00 5 00			X				227,634	0	51,615
Stuart Novick Esq General Counsel & Secretary	55 00 8 00			X				639,535	0	55,214

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Dianne Hatfield Asst Secretary/Exec Asst	55 00 5 00			X				93,501	0	27,001
Douglas Vanderslice CFO (from 1/28/13)	55 00 8 00			X				0	0	0
Demosthenes Argys SVP, & Chief Administrative Officer	55 00 5 00				X			538,962	0	48,678
Patricia BranowickRN VP, Medicine Patient Svc	55 00 5 00				X			274,203	0	45,285
Carleen Brunelli PhD VP, Research Administration	55 00 5 00				X			366,524	0	44,699
M Laurie Cammisa VP, Child Advocacy	55 00 5 00				X			340,327	0	36,532
Margaret Coughlin SVP & Chief Marketing Offi	55 00 5 00				X			443,192	0	42,664
Naomi Fried Chief Innovation Officer	55 00 5 00				X			279,334	0	25,353
Joshua Greenberg VP, Government Relations	55 00 5 00				X			309,118	0	44,737
Patricia HickeyPhDMBA VP, Crit Care Pat Svc	55 00 5 00				X			313,494	0	41,487
Man Wai Ng DDS MPH Chief, Dentistry	55 00 5 00				X			313,330	0	49,418
Daniel Nigrin MD SVP & Chief Information Officer	55 00 5 00				X			523,540	0	46,755
Scott Ogawa Chief Technology Officer	55 00 5 00				X			317,415	0	36,512
Philip Rotner Chief Investment Officer	55 00 5 00				X			856,745	0	51,766
Susan Shaw MS RN Dir , Clinical Operations	55 00 5 00				X			284,235	0	49,556
Inez Stewart VP, Human Resources	55 00 5 00				X			438,744	0	48,603
Lynn Susman President, Children's Hospital Trust	55 00 5 00				X			536,471	0	55,441
Henry Tomasuolo VP, Support Services	55 00 5 00				X			361,624	0	46,908
Wendy Warring SVP, Network Development	55 00 5 00				X			598,613	0	32,787
Charles Weinstein VP, RE Planning & Developm	55 00 5 00				X			476,171	0	53,141
Orah Platt MD Chief, Lab Medicine	55 00 5 00				X			469,967	0	37,829
David Demaso MD Chief, Psychiatry	55 00 5 00				X			338,226	0	38,033
Nader Rifai PhD Director, Chemistry	55 00 0 00					X		613,585	0	50,176
Carlo Brugnara MD Director, Hematology	55 00 0 00					X		421,999	0	49,822
Clifford Woolf MB BChPhD Director, Neurology	55 00 0 00					X		398,495	0	49,954

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Robert D'Amato MD Research Associate	55 00 0 00					X		331,228	0	32,326
John Baci Director, Pathology	55 00 0 00					X		327,477	0	48,422
David Kirshner Former Sr VP & CFO	55 00 0 00						X	974,681	0	22,460
Michelle Davis Former VP, Public Affairs	55 00 5 00						X	164,760	0	0

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - 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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 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	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

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 ▶☐

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

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

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		98,305
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		98,120
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		478,575
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			675,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Part IV, Supplemental Information		Children's Hospital is a section 501(c)(3) organization whose mission is fourfold - to provide the best possible pediatric health care, combining compassion with advanced technical capabilities, to be the leading source of research and discovery, seeking new approaches to the prevention, diagnosis, and treatment of childhood diseases, to educate the next generation of leadership in child health care, and to provide education and healthcare services to the community In fulfillment of the above mission, the Hospital advocates on behalf of children and the providers who care for them at the State and Federal levels Professional staff in the Hospital's Office of Government Relations direct these activities and coordinate the work of other Hospital staff who support the advocacy efforts on an intermittent basis The Hospital has also sent correspondence to and met directly with State and local legislators and officials The Hospital has also utilized a grassroots network of employees and friends to advocate on behalf of children's health issues In Fiscal Year 2013, five Office of Government Relations staff members registered with the State as lobbyists, dedicating a portion of their time to lobbying activities In accordance with state lobbying laws, the Hospital also registered its CEO and its President as lobbyists, although their involvement in these efforts was minimal Two Office of Government Relations staff members registered as lobbyists at the Federal level The Hospital utilized the services of two outside consultants in Fiscal Year 2013 in either the Massachusetts General Court or the U S Congress These consultants, on behalf of the Hospital, prepared written materials which are distributed to officials and met with elected and appointed officials The following is a detailed list of lobbying expenses incurred Josh Greenberg Registered Lobbyist Children's Hospital personnel $246,383 Karen Darcy Registered Lobbyist Children's Hospital personnel $35,727 Maria Fernandes Registered Lobbyist Children's Hospital personnel $19,901 Amy DeLong Registered Lobbyist Children's Hospital personnel $50,387 Sandra Fenwick Registered Lobbyist Children's Hospital personnel $7,545 Melissa Shannon Children's Hospital personnel $42,394 Kathryn Audette Children's Hospital personnel $19,618 Ann Langley Consultant Health Policy Strategies 728 Battery Place, Alexandria, VA 22314 $21,620 Joe Grant Consultant Grant Associates 130 Bowdoin Street - Suite 1706, Boston, MA 02108 $35,000 Total Lobbyist/Consultant Expenses = $478,575 Expenses Incurred by the Office of Government Relations for Lobbying Activities = $98,308 Grant to Nat'l Assoc of Children's Hospitals for GME - Related Lobbying Expense = $98,120 TOTAL LOBBYING EXPENSES = $675,000 In addition to Children's Hospital Corporation's direct and listed lobbying expenses, Children's Hospital Corporation pays dues to certain membership organizations, a piece of which may be used by such organizations for lobbying activities on behalf of this institution and other similarly situated organizations Total direct and indirect lobbying expenditures were minimal and not substantial based on revenues

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 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 Hospital Corporation

Employer identification number
04-2774441

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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 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	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	828,961,000	712,896,000	567,567,000	474,444,000	446,887,000
b	Contributions	23,140,000	54,490,000	192,306,000	63,114,000	22,139,000
c	Net investment earnings, gains, and losses	75,015,000	87,370,000	-11,529,000	48,022,000	25,362,000
d	Grants or scholarships					
e	Other expenditures for facilities and programs	32,132,000	25,795,000	35,448,000	18,013,000	19,944,000
f	Administrative expenses					
g	End of year balance	894,984,000	828,961,000	712,896,000	567,567,000	474,444,000

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

- a Board designated or quasi-endowment ▶ 55 140 %
- b Permanent endowment ▶ 27 620 %
- c Temporarily restricted endowment ▶ 17 240 %

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

4 Describe in Part 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		399,348		399,348
b Buildings		1,318,625,724	713,192,961	605,432,763
c Leasehold improvements				
d Equipment		620,487,554	488,932,205	131,555,349
e Other		181,460,189	5,269,099	176,191,090
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				913,578,550

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other See Additional Data Table		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	543,117,336	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) 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) Unamortized Bond Issuance Fees	3,605,624
(2) Interest in the Net Assets of Children's Medical Center	1,692,214,624
(3) Due from IRS	2,742,743
(4) Expected Insur Recoveries for Prof Liability Claims	18,529,814
(5) Other Assets - Miscellaneous	20,000
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	1,717,112,805

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
Estimated Final Settlement Due to Third Party Payors & Deferred Revenue	26,995,806
Estimated Insured Professional Liability Losses	18,529,814
Salary & Other Benefits	3,145,348
Funds Held for Others	35,089,100
Reserve for Medical Malpractice	4,512,734
Other Liabilities - Miscellaneous	24,050,245
Lease Obligations	14,807,246
Interest Rate Swap Liability	100,066,483
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	227,196,776

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 ☑

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

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

1	Total expenses and losses per audited financial statements			1	
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	
3	Subtract line **2e** from line **1**			3	
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	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Part V, line 4 The Children's Hospital's investment and spending policies for endowment assets are intended to provide a predictable stream of funding to support Children's Hospital's missions in pediatric patient care, education, research, and community programs Part V, Line 1b The Contribution line is comprised of Net Assets Reclassifications of $3,323,000 and Contributions of $19,817,000
Description of Uncertain Tax Positions Under FIN 48	Part X, Line 2	Part X, Line 2 There is no FIN 48 footnote in the organization's audited financial statements

Additional Data

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

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

(a) Description of security or cateory (including name of security)	**(b)** Book value	**(c)** Method of valuation Cost or end-of-year market value
(3)Other (A) Wellington - Trust	15,787,323	F
(B) Wellington - Energy	315,065	F
(C) Brookside Capital	3,025,112	F
(D) Lone Pine Capital	10,818,705	F
(E) Lone Pinon	3,880,296	F
(F) Standard Pacific	458,559	F
(G) Highfields Capital	41,534,728	F
(H) Sankaty	6,352,804	F
(I) Davidson Kempner	41,158,825	F
(J) King Street	54,641,996	F
(K) Baupost	52,302,826	F
(L) Fidelity International Stock	23,828,683	F
(M) Fidelity Notes Payable	2,143,574	F
(N) Bain IX Fund	6,565,596	F
(O) Bain X Fund	4,830,625	F
(P) Bain Arc	15,649,486	F
(Q) Old Lane	20,387	F
(R) SPUR Ventures	4,949,551	F
(S) Lone Cascade	33,412,815	F
(T) Wellington - Emerging Small Cap	19,758,981	F
(U) Wellington - Real Asset	17,458,486	F
(V) Wellington - Diversified Hedge	5,963,622	F
(W) Walter Scott	22,624,790	F
(X) MIT Private Equity Fund	22,066,003	F
(Y) Energy Capital Partners	8,445,995	F
(Z) SDK Capital	3,554,423	F
(AA) Matrix China II	1,207,325	F
(AB) Nalanda	5,242,293	F
(AC) Lone Dragon	6,710,736	F
(AD) Somerset	8,485,719	F
(AE) Sankaty COPS Fund V	1,712,494	F
(AF) Matrix India II	372,006	F
(AG) SequoiaUSGrowFUund V	831,582	F
(AH) Abrams Capital	15,289,675	F
(AI) Bain Venture	394,237	F
(AJ) Golden Gate Capital	3,167,317	F
(AK) Crosslink Capital	2,954,432	F
(AL) Sequoia Capital Global Equities	8,780,418	F
(AM) Steadfast	9,793,570	F
(AN) Sequoia China Venture Fund IV	138,288	F
(AO) Convexity	30,233,348	F
(AP) Westbrook	444,879	F
(AQ) Lone Star Fund	182,713	F
(AR) Riverstone	977,974	F
(AS) Park West Investors Ltd	7,096,320	F
(AT) Deccan Value	14,179,021	F
(AU) Wellington EM Opportunities	3,373,733	F

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

1 **(a)** Description of Liability	**(b)** Book Value
Estimated Final Settlement Due to Third Party Payors & Deferred Revenue	26,995,806
Estimated Insured Professional Liability Losses	18,529,814
Salary & Other Benefits	3,145,348
Funds Held for Others	35,089,100
Reserve for Medical Malpractice	4,512,734
Other Liabilities - Miscellaneous	24,050,245
Lease Obligations	14,807,246
Interest Rate Swap Liability	100,066,483

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

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

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

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

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
	See Add'l Data					
3a	Sub-total	0	0			1,386,045
b	Total from continuation sheets to Part I	0	0			2,034,724
c	**Totals** (add lines 3a and 3b)	0	0			3,420,769

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

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

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

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

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

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

Part IV Foreign Forms

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

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

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

Additional Data

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

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
Central America & the Caribbean	0	0	Program Services	Patient Care, Research & Education	24,289
East Asia & The Pacific	0	0	Program Services	Patient Care, Research & Education	139,762
Europe	0	0	Program Services	Patient Care, Research & Education	636,612

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
Middle East and North Africa -	0	0	Program Services	Patient Care, Research & Education	181,746
North America	0	0	Program Services	Patient Care, Research & Education	112,963
South America	0	0	Program Services	Patient Care, Research & Education	81,993

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
South Asia	0	0	Program Services	Patient Care, Research & Education	29,063
Sub-Saharan Africa	0	0	Program Services	Patient Care, Research & Education	179,617
Central America & the Caribbean	0	0	Investment		23,000

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
Central America & the Caribbean	0	0	Insurance		1,995,981
Russia & the Newly Independent States -	0	0	Program Service	Patient Care, Research & Education	15,743

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

▶ **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 Hospital Corporation

Employer identification number
04-2774441

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

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Advanced Marketing Direct 99 Thielman Drive Buffalo, NY 14206	Direct mail creative & management		No	1,053,633	965,281	88,352
Chartiy Dynamics 3420 Executive Center Drive Austin, TX 78731	Donor Survey		No	0	123,796	-123,796
Event 360 820 W Jackson Boulevard Ste 800 Chicago, IL 60607	Fundraising Counsel		No	0	50,196	-50,196
Marts & Lundy 370 Lexington Avenue New York, NY 10017	Fundraising Counsel		No	0	191,066	-191,066
Eve K Nichols 14 Baskin Road Lexington, MA 02421	Fundraising Counsel		No	0	106,402	-106,402
Perrone Group 45 Braintree Hill Office Park Ste Braintree, MA 02184	Direct mail creative & management		No	0	78,192	-78,192
Total . . . . . ▶				1,053,633	1,514,933	-461,300

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

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 Dinner/Auction (event type)	(b) Event #2 Investment Conference (event type)	(c) Other events 2 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	3,247,196	1,216,699	669,074	5,132,969
	2 Less Contributions	2,334,273	1,194,649	581,987	4,110,909
	3 Gross income (line 1 minus line 2)	912,923	22,050	87,087	1,022,060
Direct Expenses	4 Cash prizes	0	0	0	
	5 Noncash prizes	0	0	0	
	6 Rent/facility costs	0	6,560	33,000	39,560
	7 Food and beverages	260,741	63,939	195,122	519,802
	8 Entertainment	0	0	9,600	9,600
	9 Other direct expenses	697,336	54,294	247,355	998,985
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(1,567,947)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				-545,887

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue			334,095	334,095
Direct Expenses	2 Cash prizes			0	
	3 Non-cash prizes			0	
	4 Rent/facility costs			500	500
	5 Other direct expenses			48,912	48,912
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☑ Yes 69 000 % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				49,412
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				284,683

9 Enter the state(s) in which the organization operates gaming activities MA

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

b If "No," explain

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

b If "Yes," explain

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ Douglas Vanderslice Sr Vice Presi

Address ▶ 300 Longwood Ave
Boston, MA 02115

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

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

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶ Ethridge King

Gaming manager compensation ▶ $ 0

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

☐ Director/officer ☑ Employee ☐ Independent contractor

17 Mandatory distributions

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

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 0

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			16,554,964	3,849,996	12,704,968	0 960 %
b Medicaid (from Worksheet 3, column a)			245,541,054	179,040,695	66,500,359	5 040 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			262,096,018	182,890,691	79,205,327	6 000 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			5,297,407		5,297,407	0 400 %
f Health professions education (from Worksheet 5)			31,979,140	5,879,122	26,100,018	1 980 %
g Subsidized health services (from Worksheet 6)			20,480,429	16,966,170	3,514,259	0 270 %
h Research (from Worksheet 7)			340,818,000	154,777,000	186,041,000	14 110 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,048,700		2,048,700	0 160 %
j **Total.** Other Benefits			400,623,676	177,622,292	223,001,384	16 920 %
k **Total.** Add lines 7d and 7j			662,719,694	360,512,983	302,206,711	22 920 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	36		1,355,387		1,355,387	0 100 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy	12		518,051		518,051	0 040 %
8	Workforce development						
9	Other						
10	**Total**	48		1,873,438		1,873,438	0 140 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	7,641,355		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	10,294,415
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,181,848
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	112,567
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group Boston Children's Hospital

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

			Yes	No
Financial Assistance Policy				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	**11**		No
	If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	**12**	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☐ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☑ Insurance status			
e	☑ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	**13**	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☑ Other (describe in Part VI)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a	☑ Reporting to credit agency			
b	☑ Lawsuits			
c	☑ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☑ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

	Name and address	Type of Facility (describe)
1	Children's Hospital Boston-At Waltham 9 Hope Ave Waltham, MA 02453	Outpatient Satellite Facility
2	Children's Hospital at Lexington 482 Bedford Street Lexington, MA 02173	Outpatient Satellite Facility
3	Martha Eliot Health Center 75 Bickford Street Boston, MA 02130	Outpatient Community Health Center
4	Children's Hospital at Peabody 1 Essex Center Drive Peabody, MA 01960	Outpatient Satellite Facility
5	Children's Clinics at 333 Longwood Ave 333 Longwood Avenue Boston, MA 02115	Outpatient Pediatric Clinic
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

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

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

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

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

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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 3c Children's, based on its participation in the state of Massachusetts Health Safety Net, utilizes Federal Poverty Guidelines for determining eligibility for free care to low income individuals For purposes of discounted care, Children's offers discounts to individuals, regardless of income, who are uninsured and are ineligible for free care or other public programs
		Part I, Line 6a Children's files an annual community benefits report with the Attorney General's Office (AG) in Massachusetts There are significant differences between the AG and IRS requirements for reporting community benefits expenditures The IRS counts the following as community benefits while the AG does not Medicaid shortfalls, indirect costs, health professions education, and research funded by tax-exempt and government sources Children's AG Report is publicly available and can be accrssed directly on the AG's web site, www mass gov/AG and Children's web site, www childrenshospital org

Identifier	ReturnReference	Explanation
		Part I, Line 7 Children's used an internal cost accounting system for purposes of reporting certain amounts on Part I, line 7 The system is designed to address all segments of patient care (inpatient, outpatient and emergency) and assigns costs to patients from all payer sources (Medicaid, Medicare, managed care, commercial, uninsured and self-pay) The cost of charity care was determined based on the overall relationship of hospital costs as a percentage of hospital charges, applied to charges that qualified as charity care Children's provides charity care to all children in need who meet the hospital's charity care standards, which are in alignment with all state mandated regulations Nearly 30% of children who receive their care at Children's are insured through Medicaid programs in a number of states including Massachusetts In aggregate, Medicaid programs do not reimburse the hospital for the total costs of providing care to these children Children's has a strong commitment to improving the health status of the children in our local community Based on a tri-annual community needs assessment, Children's supports a variety of programs and partners both internal and external that are addressing the needs of Boston children Children's has also identified four major health focus areas in which it concentrates its efforts For children in Boston, asthma, mental health, obesity and child development are major concerns Children's has community based programs in each of these issue areas The hospital also has an Office of Child Advocacy that provides support to these programs Children's is a leader in education and training for healthcare professionals Children's subsidizes services that are either limited or unavailable in the broader community Examples include psychiatry, primary care, and dental care Children's is home to the world's largest and most active research enterprise at a pediatric center Recognizing that Children's does not have the capacity to meet all the needs of the children of Boston, it supports (through financial contributions and in kind services) a large number of community based organizations who are providing these important services Beneficiaries range from full service community health centers to Head Start programs for pre-school children For more information, visit www childrenshospital org/community
		Part I, Line 7g Children's does not subsidize physician services, thus there are none reported in the dollar amount for subsidized health services

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The total bad debt expense of $20,723,421 is included in Form 990, Part IX, line 25 column (A), but subtracted for purposes of calculating the percentage in this column
		Part II In FY13, Children's reported two types of community building activities $1,355,387 for 36 community support programs and $518,051 for community health improvement advocacy Children's community building activities are designed specifically to address heath disparities and improve the health of children, families and communities According to public health literature (see Ambulatory Pediatrics and Health Affairs), initiatives that address disparities for children across four different levels the individual, systemic, community and society can lead to meaningful improvements in health As described in Form 990, Part III Program Service Accomplishments, Children's takes a multi-pronged approach to tackle the most pressing health issues facing Boston children At the same time, Children's addresses non-health or social determinants of health issues such as violence, workforce development and education, which also impact a child's health Therefore, Children's directs its community building activities in the following areas - Children's public policy advocacy efforts help to improve access to health care for all individuals and ensure high-quality pediatric services - As a major employer in Massachusetts and civic leader in Boston, Children's supports efforts to ensure a diverse and culturally competent health care workforce as well as promotes economic health in the surrounding communities - To improve life in local neighborhoods, Children's has targeted support towards community based organizations that do not focus specifically on health, but rather on the vibrancy of the community Contributions to groups such as the Fenway Community Development Corporation and Sociedad Latina are as important as partnerships with community health centers For more information, visit www childrenshospital org/community

Identifier	ReturnReference	Explanation
		Part III, Line 4 Children's Medical Center and Subsidiaries' Audited Financial Statements contain the following bad debt footnote "The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collectionindicators Accounts receivable are reduced by an allowance for doubtful accounts Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Medical Center follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the Medical Center Accounts receivable are written off after collection efforts have been followed in accordance with the Medical Center's policies "Bad debt expense reflects patient charges that have been deemed uncollectible, converted to cost based on the ratio of patient care cost to changes from Worksheet 2 There is not any amount of bad debt reflected as charity care, because it can't be quantified accurately at this time However, some bad debts would be charity care
		Part III, Line 8 Medicare allowable costs are obtained directly from the Medicare Cost Report and are determined in accordance with Medicare principles of reimbursement

Identifier	ReturnReference	Explanation
		Part III, Line 9b Children's makes reasonable and diligent efforts to collect each patient's insurance and other information and to verify coverage for health care services Children's applies collection actions to all patients in the same manner, irrespective of their insurance status Children's does not (and does not permit its agents to) engage in collection action of any kind, including billing, with respect to patients/guarantors that are exempt from collection action under Children's Credit and Collection Policy and under Massachusetts regulations governing the Health Safety Net program All patients/guarantors who are not exempt from collection action are advised in all billing-related communications of the availability of free care and financial assistance, including assistance in applying for public programs and the availability of charity care Children's does not (and does not permit its agents to) engage in legal action against patients/guarantors, including liens, wage garnishments, or lawsuits, or report patients/guarantors to credit bureaus or credit agencies without specific, case-by-case authorization by Children's Board of Trustees No legal action occurred during the year Children's Credit and Collection Policy is filed with the Massachusetts Division of Health Care Finance and Policy That policy and related policies on Self-Pay Discounting and Charity Care and Self-Pay Collection Practices are also available to patients upon request
Boston Children's Hospital		Part V, Section B, Line 3 Boston Children's Hospital contracted Health Resources in Action (HRiA), a nonprofit public health organization in Boston to work with the hospital to conduct its community health assessment study HRiA's consultants were selected because of their experience conducting health assessments and familiarity with the communities that Boston Children's serves HRiA used a participatory process to engage stakeholders, community residents and the Boston Children's Community Advisory Board (CAB) to inform the process This type of approach helps guide the research methods and questions as well as aids in building support and buy-in at the community level for both the assessment study and subsequent planning process The CAB engaged in two formal meetings during the planning process, reviewed and recommended potential stakeholders for interviews, and provided feedback on the stakeholder and focus group guides In addition to analyzing epidemiological data from Boston Children's priority neighborhoods, HRiA conducted qualitative research with community stakeholders and residents to gauge their perceptions of the community, their health concerns, what programming or services are most needed to address these concerns, and their perceptions of Boston Children's to accomplish this To this end, HRiA conducted 27 interviews with community stakeholders, 6 focus groups with parents and 4 focus groups with youth during the data collection period, with a total of 120 individuals participating in the qualitative research

Identifier	ReturnReference	Explanation
Boston Children's Hospital		Part V, Section B, Line 5c An Executive Summary of the CHNA was emailed and mailed out to all of the stakeholders and focus group participants with information on how to access the full report either online or from the hospital Boston Children's also distributed it widely to internal staff A link was also sent out to advocates and supporters of Boston Children's An overview of the findings and Boston Children's plans to address the identified needs will also be included in the Office of Community Health's annual report on the community mission
Boston Children's Hospital		Part V, Section B, Line 7 Boston Children's addressed all of the needs identified in the assessment that are health related access to care, asthma, obesity, physical activity and nutrition, sexual health and teen pregnancy, mental health, alcohol, tobacco and other drugs, injury prevention, chronic diseases, oral health and early childhood developmental issues

Identifier	ReturnReference	Explanation
Boston Children's Hospital		Part V, Section B, Line 10 Children's, based on its participation in the state of Massachusetts Health Safety Net, utilizes Federal Poverty Guidelines for determining eligibility for free care to low income individuals For purposes of discounted care, Children's offers discounts to individuals, regardless of income, who are uninsured and are ineligible for free care or other public programs
Boston Children's Hospital		Part V, Section B, Line 11 For purposes of discounted care, Children's offers discounts to individuals, regardless of income, who are uninsured and are ineligible for free care or other public programs

Identifier	ReturnReference	Explanation
Boston Children's Hospital		Part V, Section B, Line 14g Children's takes the following steps to make patients aware of the availability of financial assitance - Posting of signage in all patient care admission areas of the availability of financial assitance,- All billing correspondence includes language regarding the availability of financial assistance,- The Hospital web-site provides contact information for Hospital Financial Counselors who can help assist patient with applying for programs to cover medical expenses
Boston Children's Hospital		Part V, Section B, Line 18e Children's does not (and does not permit its agents to) engage in legal action against patients/guarantors, including liens, wage garnishments, or lawsuits, or report patients/guarantors to credit bureaus or credit agencies without specific, case-by-case authorization by Children's Board of Trustees No legal action occurred during the year

Identifier	ReturnReference	Explanation
		Part VI, Line 2 Boston Children's assesses the community needs on an ongoing basis through continuous dialogue with the community, participation on committees, working groups, and task forces, as well as input from community advisory board and partners For more information, visit www childrenshospital org/community
		Part VI, Line 3 Children's provides patients with information about financial assistance programs that are available through the Commonwealth of Massachusetts or through the hospital's own financial assistance program For those patients that request financial assistance, Children's assists patients by screening them for eligibility in an available public program and assisting them in applying for the program All patients/guarantors who are not exempt from collection action are advised in all billing-related communications of the availability of free care and financial assistance, including assistance in applying for public programs and the availability of charity care The screening and application process for a financial assistance programs is done through either the Virtual Gateway (which is an internet portal designed by the Massachusetts Executive Office of Health and Human Services to provide an online application for the programs offered by the state) or through a standard paper application All Virtual Gateway and paper applications are reviewed and processed by the Massachusetts Office of Medicaid Hospitals have no role in the determination of program eligibility made by the state, but at the patient's request may take a direct role in appealing or seeking information related to the coverage decisions

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Boston Children's conducted a community health needs assessment to ensure that it was addressing the most pressing health concerns across Boston and its four priority neighborhoods- Roxbury, Mission Hill, Fenway and Jamaica Plain FINDINGS The residents of Boston Children's priority neighborhoods are ethnically and linguistically diverse, with wide variations in socioeconomic level Minority and low-income residents are disproportionately affected by the social and economic context in which they live Demographic Characteristics Residents and stakeholders commented on the variety of cultures represented in the communities served by Boston Children's Quantitative data illustrate that racial and ethnic diversity varies across Boston Children's priority neighborhoods and citywide While the majority of residents in Roxbury/Mission Hill self-identify as Black (60 9%), Fenway and Jamaica Plain have a larger proportion of White residents (70 2% and 62 0%, respectively) compared to the city (53 9%) Poverty, Income, and Employment Economic data demonstrate that among the priority neighborhoods, a greater proportion of families in Roxbury/Mission Hill (31 0%) were living in poverty compared to families citywide (16 0%) Additionally, nearly half of female headed households with children under five years of age in Boston were living in poverty (46 7%) Education Quantitative data show that educational attainment across the priority neighborhoods ranges from 71 0% of Fenway residents with a bachelor's degree or higher to 25 0% of Roxbury/Mission Hill adults Additionally, Black and Hispanic students graduate at lower rates than their White and Asian counterparts Housing Housing concerns disproportionately affect renters, who represent the majority in Boston, 42 4% of renters in Boston contribute 35% or more of their income to housing costs Neighborhood Crime and Perceptions of Safety Quantitative data validate residents' concerns, between January and June 2013, Boston Children's priority neighborhoods collectively accounted for approximately 40% of the total crimes reported citywide during this time period, the majority of which were classified as larceny or attempted larceny Furthermore, over half of all homicides occurred in Roxbury/Mission Hill There are 4 hospitals and 7 community health centers serving our priority neighborhoods There are 22 Census Tracks that fall under 2 different MUA/P areas that are within the Boston Children's Hospital priority areas Massachusetts has a low rate of uninsured children 0-5 years 1 1% uninsured - 35 9% on Medicaid6-18 years 1 5% uninsured - 30 6% on Medicaid19-25 yrs-7% uninsured - 18 9% on Medicaid
		Part VI, Line 5 As the only free-standing children's hospital in the state, Children's treats 90% of the sickest kids in Massachusetts and offers a range of services that are unavailable elsewhere in the region, including pediatric transplants, critical care transport services, a level 1 Pediatric Trauma Unit and a level 3 Neonatal Intensive Care Unit Children's also qualifies for DSH payments as the state's largest provider of pediatric care to low-income families Approximately 30% of its patients are covered by Medicaid, including patients insured by out-of-state Medicaid programs In addition, Children's has an open medical staff model Children's is also a leader in education and training for healthcare professionals It sponsors 38 Accreditation Council for Graduate Medical Education-accredited training programs, one American Dental Association accredited training program and 15 non-accredited subspecialty fellowships with 476 residents/clinical fellows enrolled in these programs Children's partners with 27 schools of nursing throughout Massachusetts and New England to provide clinical experiences in pediatrics Children's offers a variety of continuing education courses designed for health care professionals in pediatric practice The courses are accredited by the Office of Continuing Education at Harvard Medical School and each hour of instruction is approved for Category 1 credits towards the AMA Physician's Recognition Award Topics include autism, eating disorders, sports injuries, endometriosis, substance abuse, concussions, strabismus, Type II Diabetes and vascular anomalies Children's also offers half-day programs titled Pediatric Health Care Summits that are held at local hospitals, such as Beverly Hospital, Lawrence General and South Shore Hospital (Weymouth) Additionally, Children's partners with area community hospitals such as Good Samaritan Medical Center, Holy Family, Lawrence General, South Shore, St Anne's and St Joseph's to sponsor Community Hospital Pediatrics Grand Rounds with monthly lectures provided by faculty in medical and surgical sub-specialties Children's also operates "Career Opportunity Advancement Children's Hospital", a seven-week program for Boston youth to explore health care careers while having a safe and meaningful summer and the program "Student Career Opportunity Outreach Program", designed by Children's nurses to introduce young people to nursing career opportunities Children's is home to the world's largest and most active research enterprise at a pediatric center Children's research mission encompasses basic research, clinical research, community service programs and the postdoctoral training of new scientists Children's has a twenty person voluntary Board of Trustees Sixteen of the Board members are not direct employees of the hospital and all of them live in the hospital's service area The Board oversees the hospital's endowment and follows a 5% spending rule in keeping with the industry standard of the responsible management of assets Reserves are invested back into patient care, teaching, research, patient safety and quality initiatives, equipment, facilities, community benefits and to subsidize vital services that run a deficit

Identifier	ReturnReference	Explanation
		Part VI, Line 6 Although Children's does not have true affiliates as defined by the IRS, it does have other affiliations As the largest pediatric referral center in the region, Children's maintains a variety of relationships with community hospitals and other smaller pediatric programs throughout New England These relationships include seven community hospitals in eastern Massachusetts where Children's physicians have formal arrangements to provide on-site emergency medicine, inpatient, neonatal and/or outpatient pediatric specialty services Children's also owns and operates four outpatient facilities in Waltham, Lexington, Peabody, and Jamaica Plain that offer access to pediatric specialty care in a wide array of subspecialties Children's provides assistance to other pediatric facilities (Hasbro, RI, Dartmouth Hitchcock, NH, and Boston Medical Center) in the region through training, recruitment, consultations, on-site care and referrals for care that is not otherwise available In addition, the Pediatric Physicians' Organization at Children's brings together pediatricians, pediatric medical groups and pediatric specialists at Children's
Reports Filed With States	Part VI, Line 7	MA

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 29

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 2

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
See Additional Data Table					

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

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

Additional Data

Return to Form

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

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Health Resources In Action 622 Washington Street Dorchester, MA 02124	04-2229839	501(c)(3)	91,000		FMV		Community Partnership
Boston Public Health Commission1010 Massachusetts Ave Boston, MA 02118	04-3316655	115	500,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Boston Public Schools26 Court St 6th Fl Boston, MA 02108	22-2514422	115	105,735		FMV		Community Partnership
Bowdoin Street Health Center Inc230 Bowdoin Street Boston, MA 02122	04-2529788	501(c)(3)	65,000		FMV		Support of Community Health Center

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Brigham & Women's Hospital Inc75 Francis Street Boston, MA 02115	04-2312909	501(c)(3)	150,000		FMV		Support of Brookside Community Health Center
The Dimock Center55 Dimock Street Roxbury, MA 02119	04-3487835	501(c)(3)	110,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Fenway Community Development Corporation73 Hemenway Street Boston, MA 02115	04-2666507	501(c)(3)	38,000		FMV		Community Partnership
Project RIGHT320 A Blue Hill Avenue Dorchester, MA 02121	04-3265420	501(c)(3)	60,000		FMV		Advocacy Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Joseph M Smith Community Health Center Inc287 Western Avenue Allston, MA 02134	23-7221597	501(c)(3)	80,000		FMV		Support for the Community Health Canter
Community Service Care Inc 295 Center Street Jamaica Plain, MA 02130	04-2754281	501(c)(3)	64,650		FMV		Community Partnership - JP Coalition

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Mattapan Community Health Center1425 Blue Hill Ave Mattapan, MA 02426	04-2544151	501(c)(3)	42,500		FMV		Support of the Community Health Center
Roxbury Comprehensive Community Health Center Inc 35 Warren Street Roxbury, MA 02119	04-2501921	501(c)(3)	80,000		FMV		Support of the Community Health Center

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
YMCA of Greater Boston inc 316 Huntington Avenue Boston, MA 02115	04-2103551	501(c)(3)	58,975		FMV		Community Partnership - Roxbury YMCA
Sociedad Latina Inc1530 Tremont Street Roxbury, MA 02120	04-2678255	501(c)(3)	35,250		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
South Cove Community Health Center Inc145 South Street Boston, MA 02111	04-2501818	501(c)(3)	83,000		FMV		Support of the Community Health Center
South End Community Health Center Inc1601 Washington Street Boston, MA 02118	04-2456134	501(c)(3)	107,500		FMV		Support of the Community Health Center

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Upham's Corner Community Center Inc500 Columbia Road Dorchester, MA 02125	04-2708670	501(c)(3)	70,000		FMV		Support of the Community Health Center
Whittier Street Health Center Committee Inc1125 Tremont Street Roxbury, MA 02120	04-2619517	501(c)(3)	82,500		FMV		Support of the Community Health Center

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Associated Early Care and Education Inc95 Berkeley Street Suite 306 Boston, MA 02116	04-2105893	501(c)(3)	33,400		FMV		Community Partnership
Massachusetts League of Community Health Centers40 Court Street 10th Floor Boston, MA 02108	04-2507409	501(c)(3)	5,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Mission Hill Youth Collaborative1481 Tremont Street Boston, MA 02120	04-3103865	501(c)(3)	5,000		FMV		Community Partnership
Greater Boston Chamber of Commerce265 Franklin Street Boston, MA 02110	04-1103090	501(c)(6)	15,050		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
The Hyde Square Task Force Inc375 Centre Street Jamaica Plain, MA 02130	04-3118543	501(c)(3)	15,000		FMV		Community Partnership
Action for Boston Community Development178 Tremont Street Boston, MA 02111	04-2304133	501(c)(3)	5,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Girl's LEAP197A Centre Street Dorchester, MA 02124	04-3454124	501(c)(3)	6,000		FMV		Community Partnership
Jamaica Plain Neighborhood Development Corp31 Germania Street Jamaica Plain, MA 02130	04-2652919	501(c)(3)	10,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Massachusetts Public Health Association101 Tremont Street Boston, MA 02108	04-2326503	501(c)(3)	7,500		FMV		Community Partnership
Alternatives for Community & Environment Inc2181 Washington Street Roxbury, MA 02119	04-3228509	501(c)(3)	10,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Smart from the Start Inc68 Annunciation Road Boston, MA 02120	45-4952663	501(c)(3)	51,750		FMV		Community Partnership
Spontaneous Celebrations Inc45 Danforth Street Jamaica Plain, MA 02130	01-3253364	501(c)(3)	10,000		FMV		Community Partnership

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
United Way of Massachusetts Bay & Merrimack Valley51 Sleeper Street Boston, MA 02210	04-2382233	501(c)(3)	35,000		FMV		Community Partnership

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
Sibylla Orth Young Fund for Student Aid	17	34,000		FMV	
Nursing Education Scholarship Fund	13	93,145		FMV	
Joshua T Shairs Cardiology Fund	3	3,000		FMV	
Frieze Social Work Fund	372	147,456		FMV	
Family Resource Center Fund	51	9,957		FMV	
Kent Street Operating Fund	1080		346,434	FMV	Housing Assistance
Devon Nicole House Operating Fund	555		121,408	FMV	Housing Assistance
Pet Therapy Program Fund	1087		34,653	Other	Theurapeutic dog visits made to inpatients
Brandano Parent Apartment Fund	1385		56,021	FMV	Supplies for patient and families
Matthew Puffer Parking Fund	28	2,948		FMV	
Sandra & Geoffrey Fenwick Family Income Fund	34		6,682	FMV	Memorial services and grief conference, room fees & food
Extraordinary Needs Fund I & II	324	126,866		FMV	
Judith Nelson Operating Fund For Families	1312	7,083		FMV	
Amos's Endowment/Operating Fund	65		5,540	FMV	Memorial services and grief conference, room fees & food
Patient Care Support Services Endowment/Income Fund	27		63,070	FMV	Medical Equipment, Skilled Nursing Care, Ambulance Transportation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) 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				
See Additional Data Table							

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

Identifier	Return Reference	Explanation
	Part I, Lines 4a-b	Children's Hospital made contributions to the supplemental non-qualified retirement plan for the individuals listed below Contribution amounts are generally based on a percentage of compensation Participants of the supplemental executive retirement plan are fully vested All payments with respect to a participant's separation from service will be made in a single sum following the separation from service unless participant has elected to receive the accrued interest portion of his or her account in three annual installments Contributions were for employee benefits and not for Children's Hospital Trustee or Officer of the Board services and/or responsibilities James Mandell, received in 2012, a contribution of $357,994 Sandra Fenwick, received in 2012, a contribution of $193,405 Stuart Novick, received in 2012, a contribution of $109,420 Eileen Sporing, received in 2012, a contribution of $41,018 Demosthenes Argys, received in 2012, a contribution of $40,048 Carleen Brunelli, received in 2012, a contribution of $22,498 M Laurie Camissa, received in 2012, a contribution of $19,802 Margaret Coughlin, received in 2012, a contribution of $22,000 Joshua Greenberg, received in 2012, a contribution of $12,629 Daniel Nigrin, received in 2012, a contribution of $39,160 Philip Rotner, received in 2012, a contribution of $67,150 Inez Stewart, received in 2012, a contribution of $29,744 Lynn Susman, received in 2012, a contribution of $27,400 Henry Tomasuolo, received in 2012, a contribution of $22,445 Wendy Warring, received in 2012, a contribution of $43,326 Charles Weinstein, received in 2012, a contribution of $32,950 During Calendar Year 2012, Michelle Davis (former Vice President, Public Affairs and Marketing) received severance payments totalling $129,009 During Calendar Year 2012, David Kirshner (former Senior Vice President of Finance & Chief Financial Officer) received severance payments totalling $333,333 David Kirshner received additional severance payments during Calendar Year 2013
Supplemental Information	Part III	Part II Compensation is for executive/employee services, Part II, Column F (Compensation Reported in Prior Form 990) The compensation reported in Part II, column B, of this Schedule J (Form 990) is for the calendar year 2012 and a portion of it may have already been reported on a prior year Form 990 as deferred compensation Compensation amounts in Column F reflects the compensation already reported in a prior return and needs to be taken into consideration to correct the overstatement of the cumulative compensation reported as paid to the individuals listed

Additional Data

Return to Form

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Eileen Spring MSNRN	(I)	391,380	84,200	62,142	27,500	23,479	588,701	0
	(II)	0	0	0	0	0	0	0
James Mandell MD	(I)	747,225	269,000	392,490	27,500	37,318	1,473,533	0
	(II)	0	0	0	0	0	0	0
Sandra Fenwick	(I)	545,176	197,500	226,091	25,000	29,896	1,023,663	0
	(II)	0	0	0	0	0	0	0
Bruce Balter	(I)	176,100	14,566	36,968	29,011	22,604	279,249	0
	(II)	0	0	0	0	0	0	0
Stuart Novick Esq	(I)	415,714	95,000	128,821	27,500	27,714	694,749	0
	(II)	0	0	0	0	0	0	0
Demosthenes Argys	(I)	385,944	84,200	68,818	20,000	28,678	587,640	0
	(II)	0	0	0	0	0	0	0
Patricia BranowickiRN	(I)	232,583	19,202	22,418	28,500	16,785	319,488	0
	(II)	0	0	0	0	0	0	0
Carleen Brunelli PhD	(I)	274,798	47,000	44,726	22,500	22,199	411,223	0
	(II)	0	0	0	0	0	0	0
M Laurie Cammisa	(I)	257,700	44,600	38,027	25,000	11,532	376,859	0
	(II)	0	0	0	0	0	0	0
Margaret Coughlin	(I)	315,142	72,000	56,050	17,500	25,164	485,856	0
	(II)	0	0	0	0	0	0	0
Naomi Fried	(I)	248,374	19,278	11,682	20,775	4,578	304,687	0
	(II)	0	0	0	0	0	0	0
Joshua Greenberg	(I)	234,252	40,800	34,066	20,000	24,737	353,855	0
	(II)	0	0	0	0	0	0	0
Patricia HickeyPhDMBA	(I)	257,813	19,402	36,279	31,000	10,487	354,981	0
	(II)	0	0	0	0	0	0	0
Man Wai Ng DDS MPH	(I)	318,365	0	-5,035	27,500	21,918	362,748	0
	(II)	0	0	0	0	0	0	0
Daniel Nigrin MD	(I)	377,354	86,000	60,186	22,500	24,255	570,295	0
	(II)	0	0	0	0	0	0	0
Scott Ogawa	(I)	257,209	19,893	40,313	26,000	10,512	353,927	0
	(II)	0	0	0	0	0	0	0
Philip Rotner	(I)	554,606	212,459	89,680	17,500	34,266	908,511	0
	(II)	0	0	0	0	0	0	0
Susan Shaw MS RN	(I)	235,997	19,884	28,354	31,000	18,556	333,791	0
	(II)	0	0	0	0	0	0	0
Inez Stewart	(I)	333,330	55,500	49,914	22,500	26,103	487,347	0
	(II)	0	0	0	0	0	0	0
Lynn Susman	(I)	349,547	134,001	52,923	25,000	30,441	591,912	0
	(II)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Henry Tomasuolo	(I)	272,366	46,285	42,973	20,000	26,908	408,532	0
	(II)	0	0	0	0	0	0	0
Wendy Warring	(I)	415,935	93,300	89,378	17,500	15,287	631,400	0
	(II)	0	0	0	0	0	0	0
Charles Weinstein	(I)	353,869	61,700	60,602	25,000	28,141	529,312	0
	(II)	0	0	0	0	0	0	0
Orah Platt MD	(I)	429,103	33,575	7,289	27,500	10,329	507,796	0
	(II)	0	0	0	0	0	0	0
David Demaso MD	(I)	329,930	0	8,296	27,500	10,533	376,259	0
	(II)	0	0	0	0	0	0	0
Nader Rifai PhD	(I)	401,349	208,125	4,111	27,500	22,676	663,761	0
	(II)	0	0	0	0	0	0	0
Carlo Brugnara MD	(I)	401,349	27,440	-6,790	27,500	22,322	471,821	0
	(II)	0	0	0	0	0	0	0
Clifford Woolf MB BChPhD	(I)	406,478	0	-7,983	27,500	22,454	448,449	0
	(II)	0	0	0	0	0	0	0
Robert D'Amato MD	(I)	333,410	0	-2,182	27,500	4,826	363,554	0
	(II)	0	0	0	0	0	0	0
John Baci	(I)	280,458	6,000	41,019	26,002	22,420	375,899	0
	(II)	0	0	0	0	0	0	0
David Kirshner	(I)	484,849	0	489,832	0	22,460	997,141	388,421
	(II)	0	0	0	0	0	0	0
Michelle Davis	(I)	129,009	0	35,751	0	0	164,760	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Bond Issues

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

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	339,925,000	339,925,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	124,329,713	341,590,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	339,564,138	339,564,138		
7	Issuance costs from proceeds	1,829,713	2,025,862		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	122,500,000			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2011			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 00000%		0 00000%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 00000%		0 00000%		%		%	
6	Total of lines 4 and 5	0 00000%		0 00000%		%		%	
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X					
b	Exception to rebate?		X	X					
c	No rebate due?		X		X				
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X	X					
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X					
b	Name of provider	Goldman Sachs Mitsui Marine		Goldman Sachs Mitsui Marine					
c	Term of hedge	30 000000000000		30 000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X				

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X					

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
Schedule K, Part IV, Line 7	Arbitrage	Although written procedures did not exist during FY2013, the Hospital monitored and complied with the requirements of section 148 The Organization has since established written procedures

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, 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 Hospital Corporation

Employer identification number
04-2774441

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

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

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

2 Enter the amount of tax incurred by 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	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) Waters Corporation	Trustee	110,106	Equipment Children's Hospital Corporation received, at fair market value, equipment & supplies from Waters Corporation, where Douglas Berthiaume, a member of the hospital's Board of Trustees, is the Chief Executive Officer All transactions above were at fair market value and negotiated at arms length in the ordinary course of business Waters Corporation manufactures high end scientific equipment and supplies During the year the hospital paid Waters Corporation $110,106 for equipment & supplies		No
(2) CRICO	Director	10,158,925	InsuranceThe Risk Management Foundation of the Harvard Medical Institutions, Inc (CRICO/RMF) is the patient safety and medical malpractice company serving the Harvard medical community Insurance coverage is provided to its member institutions and their affiliates by Controlled Risk Insurance Company, Ltd (CRICO/Cayman) and Controlled Risk Insurance Company of Vermont, Inc (A Risk Retention Group) (CRICO/Vermont) Both CRICO/RMF and CRICO/Cayman are owned by their member Institutions CRICO/Vermont is wholly owned by CRICO/RMF All CRICO/RMF and CRICO/Cayman shareholders are entities exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended Members of CRICO/RMF and CRICO/Cayman are entitled to representation on the boards of these entities Alan Bufferd, Trustee of Children's Hospital Corporation, sits on the Boards of CRICO/RMF, CRICO/Cayman and CRICO/Vermont See next item for continuation		No
(3) CRICO	Director	10,158,925	InsuranceJames Mandell, MD, Chief Executive Officer of Children's Hospital Corporation, sits on the Board of CRICO/RMF and CRICO/Cayman Children's Hospital pays these entities for insurance for Children's Hospital and its affiliates for the period covered by this filing Children's Hospital paid a total of $10,158,925 to CRICO and RMF for professional, general, and directors and officers insurance coverage		No
(4) FedEx	Director	416,923	ShippingChildren's Hospital Corporation received, at fair market value, shipping services from FedEx, where Gary Loveman, a member ofthe hospital's Board of Trustees, is on the Board of Directors Alltransactions above were at fair market value and negotiated at armslength in the ordinary course of business During the year the hospitalpaid FedEx $416,923 for shipping services		No
(5) Blue Cross Blue Shield of Massachusetts	Director	75,489,242	InsuranceChildren's Hospital Corporation received, at fair market value, employee health insurance claim administration services from Blue Cross Blue Shield of Massachusetts, where Ralph Martin, a member of the hospital's Board of Trustees, is on the Board of Directors All transactions above were at fair market value and negotiated at arms length in the ordinary course of business During the year the hospital paid Blue Cross Blue Shield of Massachusetts $75,489,242 for actual claims processed by Blue Cross Blue Shield of Massachusetts on behalf of the organization's employees and health claim administration fees		No
(6) CVSCaremark	Spouse of Key Emp	9,681,177	Presc Drug ProgramChildren's Hospital Corporation received, at fair market value, employee prescription drug plan benefits from CVS/Caremark, where Wendy Warring's, a key employee of the hospital, spouse is an Officer All transactions above were at fair market value and negotiated at arms length in the ordinary course of business During the year the hospital paid CVS/Caremark $9,681,177 for employee prescription drug plan benefits		No

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		33,482	Mkt Value per Donor
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	59	13,303,355	Mean Value on Gift Date
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles	X	16	1,779	Mkt Value per Donor
19	Food inventory	X	1	14,192	Mkt Value per Donor
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Travel/Dining)	X	11	95,882	Mkt Value per Donor
26	Other ▶ (Gift Cert)	X	8	9,410	Mkt Value per Donor
27	Other ▶ (Misc Other)	X	55	264,219	Mkt Value per Donor
28	Other ▶ ( )				

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

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

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Third Party Use	Part I, Line 32b	The Hospital uses an event management firm to assist in processing non-cash donations received for an event auction
Non Reporting of Revenue	Part I, Line 33	The Hospital may receive items such as books, stuffed animals and video games that are donated to the units - these items are de minimus and values are not available so they are not reported in revenues

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 3	The Organization contracted with Navigant Consulting, Inc for an Interim Chief Financial Officer for a portion (10/1/12-1/27/13) of the fiscal year

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

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

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

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

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

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

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

Identifier	Return Reference	Explanation
Other Fees	Form 990, Part IX, line 11g	Purchased Medical Services Program service expenses 43,707,157 Management and general expenses 6,363,915 Fundraising expenses 0 Total expenses 50,071,072 Purchased Research Services Program service expenses 30,444,614 Management and general expenses 0 Fundraising expenses 0 Total expenses 30,444,614 Consulting Services Program service expenses 11,231,526 Management and general expenses 14,447,693 Fundraising expenses 0 Total expenses 25,679,219 Misc Purchased Services Program service expenses 12,789,385 Management and general expenses 5,143,323 Fundraising expenses 0 Total expenses 17,932,708 Nursing Agency Fees Program service expenses 2,458,376 Management and general expenses 20,804 Fundraising expenses 0 Total expenses 2,479,180 Laundry Services Program service expenses 1,604,822 Management and general expenses 152,524 Fundraising expenses 0 Total expenses 1,757,346 Security Services Program service expenses 2,920,194 Management and general expenses 64,706 Fundraising expenses 0 Total expenses 2,984,900 Catering Fees Program service expenses 499,233 Management and general expenses 79,892 Fundraising expenses 0 Total expenses 579,125 Collection Agency Fees Program service expenses 172,005 Management and general expenses 1,162,240 Fundraising expenses 0 Total expenses 1,334,245 Temp Agency Fees Program service expenses 276,857 Management and general expenses 194,833 Fundraising expenses 0 Total expenses 471,690 Ambulance Services Program service expenses 130,821 Management and general expenses 0 Fundraising expenses 0 Total expenses 130,821 Environmental Services Program service expenses 414,240 Management and general expenses 176,915 Fundraising expenses 0 Total expenses 591,155

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Net Transfers/Support from Children's Medical Center 151,975,549 Pension Adjustment 67,095,115 Tran of Prof Svc Surplus from Net Assets to Funds Held for Others 17,009,284 Other Adjustments -46,376

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Children's Hospital Corporation

Employer identification number
04-2774441

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" 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
See Additional Data Table							

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) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Marketplace LaGuardia LLC One Wells Avenue Newton, MA 02459 20-0417454	Investment in Marketplace LaGuardia LP	MA	Children's Hospital Corporation	5% Investment	47,566	4,778,034		No			No	65 270 %

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
(1) Longwood Associates Inc 55 Shattuck Street Boston, MA 02115 04-2943755	Property Management	MA	Children's Medical Center Corporation	C					No

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

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

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 section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Additional Data

Return to Form

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

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

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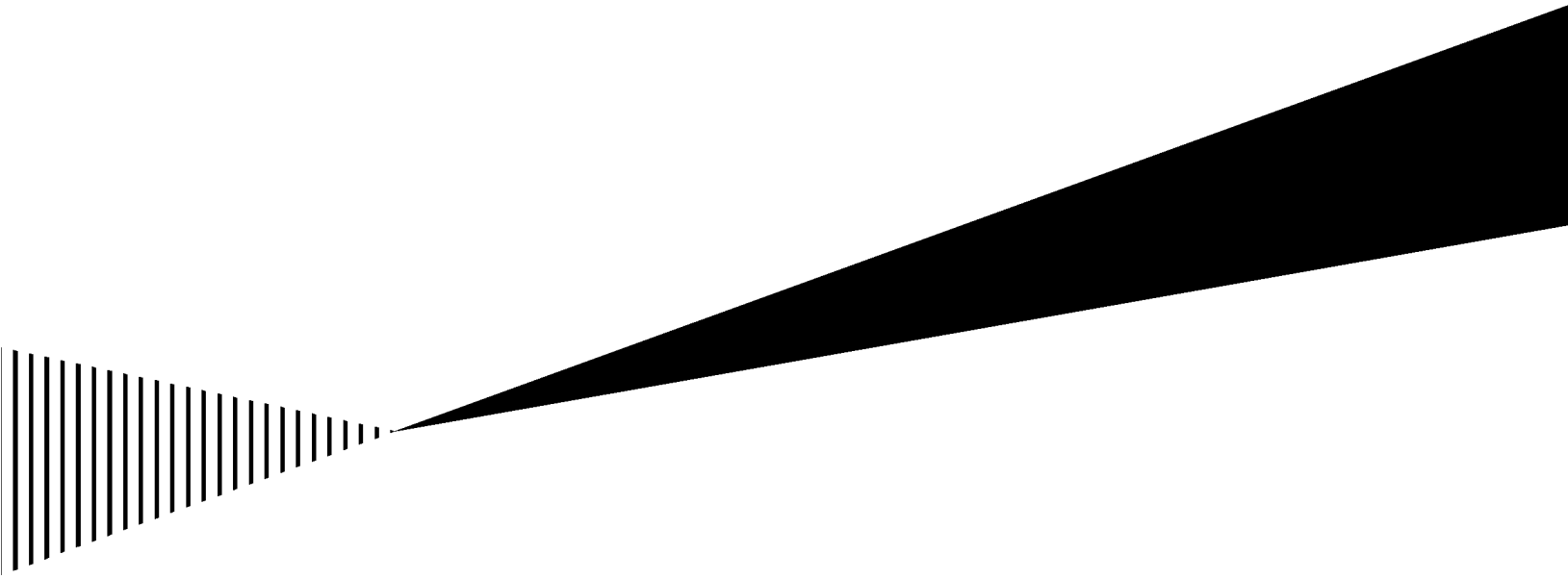
AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Children's Medical Center and Subsidiaries
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



EY
Building a better working world

Children's Medical Center and Subsidiaries

Audited Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2013 and 2012

Contents

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Building a better working world

Ernst & Young LLP
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Report of Independent Auditors

The Board of Trustees
Children's Medical Center

We have audited the accompanying consolidated financial statements of Children's Medical Center and Subsidiaries (the Medical Center), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We did not audit the financial statements of the Physician's Organization at Children's Hospital, Inc (the P O) and the Physician Foundations (the Foundations), controlled affiliates, which statements reflect total assets of $965 million and $877 million and total revenues of $569 million and $580 million as of and for the years ended September 30, 2013 and 2012, respectively, of the related consolidated totals Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the P O and the Foundations, is based solely on the report of the other auditors We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children's Medical Center and Subsidiaries at September 30, 2013 and 2012, and the consolidated results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst + Young LLP

January 30, 2014

Children's Medical Center and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	September 30 2013	2012
Assets		
Current assets		
Cash and cash equivalents	**$ 129,238**	$ 182,981
Patient accounts receivable, net of allowance for uncollectible accounts of $31,964 and $26,716 in 2013 and 2012, respectively	**172,017**	166,017
Other receivables	**34,773**	30,695
Grants receivable	**43,842**	40,992
Current portion of pledges receivable, net	**26,818**	28,784
Other current assets	**31,747**	25,580
Total current assets	**438,435**	475,049
Investments		
Unrestricted as to use	**1,731,308**	1,488,284
Limited by Board designation	**1,811,815**	1,739,757
Restricted by donor-imposed restriction	**494,224**	466,734
	4,037,347	3,694,775
Other assets whose use is limited		
By externally administered trusts	**49,476**	47,308
For deferred compensation and other benefit obligations	**109,674**	102,309
Other	**6,890**	8,266
	166,040	157,883
Property, plant, and equipment, net	**997,253**	913,411
Pledges receivable, net	**97,508**	69,599
Net pension asset	**18,881**	–
Other assets	**56,553**	65,829
Total assets	**$ 5,812,017**	$ 5,376,546

	September 30 2013	2012
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 153,086**	$ 141,429
Accrued salaries and wages	**95,551**	90,350
Current portion of estimated third-party liabilities	**6,684**	7,585
Current portion of long-term debt	**260**	870
Current portion of notes payable	**27,749**	522
Deferred revenue	**36,217**	32,146
Total current liabilities	**319,547**	272,902
Long-term liabilities		
Long-term debt	**666,713**	666,907
Mortgage notes payable	**39,630**	67,640
Long-term portion of estimated third-party liabilities	**19,871**	24,970
Net pension liability	**–**	74,056
Funds held for others	**42,164**	46,026
Interest rate swap liability	**100,066**	155,581
Deferred compensation and other benefit obligations	**122,371**	108,780
Other liabilities	**89,785**	94,486
Total long-term liabilities	**1,080,600**	1,238,446
Net assets		
Unrestricted	**3,743,844**	3,252,773
Temporarily restricted	**478,540**	444,405
Permanently restricted	**189,486**	168,020
Total net assets	**4,411,870**	3,865,198
Total liabilities and net assets	**$ 5,812,017**	$ 5,376,546

See accompanying notes

Children's Medical Center and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended September 30	
	2013	**2012**
Revenues		
Patient services revenue, net of contractual allowances and discounts	**$ 1,430,979**	$ 1,406,230
Provision for uncollectible accounts	**(33,058)**	(30,789)
Net patient services revenue	**1,397,921**	1,375,441
Research grants and contracts	**178,038**	178,781
Recovery of indirect costs on grants and contracts	**69,485**	69,678
Other operating revenue	**74,280**	65,474
Endowment income support for mission-related activities	**24,220**	26,590
Unrestricted contributions, net of fundraising expenses of $7,582 and $8,076 in 2013 and 2012, respectively	**9,834**	6,959
Net assets released from restrictions used for operations	**35,834**	45,850
Total revenues	**1,789,612**	1,768,773
Expenses		
Salaries and benefits	**1,008,583**	971,565
Supplies and other expenses	**396,782**	393,405
Direct research expenses of grants	**178,038**	178,781
Health Safety Net assessment	**7,895**	8,314
Depreciation and amortization	**101,149**	97,901
Interest and net interest rate swap cash flows	**27,721**	28,593
Total expenses	**1,720,168**	1,678,559
Gain from current operations	**69,444**	90,214
Changes in prior year third-party settlements and other estimates	**14,452**	9,908
Gain from operations	**83,896**	100,122
Nonoperating gains (losses)		
Income from investments	**14,792**	5,460
Net realized gain on investments	**123,368**	53,746
Unrealized gain on investments classified as trading securities	**11,396**	21,464
Increase in value of alternative investments	**150,744**	90,241
Recognition of unrealized losses on investments	**(31,359)**	(8,815)
Fundraising expenses on restricted contributions	**(17,692)**	(18,846)
Adjustment of interest rate swaps to fair value	**55,515**	(6,096)
Other nonoperating losses	**(8,451)**	(7,851)
Total nonoperating gains	**298,313**	129,303
Excess of revenues over expenses	**382,209**	229,425

Children's Medical Center and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended September 30	
	2013	**2012**
Changes in unrestricted net assets		
Excess of revenues over expenses	**$ 382,209**	$ 229,425
Net assets released from restrictions for capital asset acquisitions	**3,713**	1,751
Net unrealized gain on investments	**11,185**	127,922
Net asset transfer	**(214)**	(3,122)
Appreciation on endowment funds	**40**	734
Pension adjustment	**94,138**	(38,033)
Increase in unrestricted net assets	**491,071**	318,677
Changes in temporarily restricted net assets		
Contributions	**61,489**	77,517
Income and net realized gain on investments	**15,850**	5,213
Recognition of unrealized losses on investments	**(4,854)**	(1,360)
Increase in value of alternative investments	**21,226**	11,499
Net unrealized (loss) gain on investments	**(19,449)**	15,520
Net asset transfer	**(540)**	129
Appreciation on endowment funds	**(40)**	(734)
Net assets released from restrictions	**(39,547)**	(47,601)
Increase in temporarily restricted net assets	**34,135**	60,183
Changes in permanently restricted net assets		
Contributions	**20,712**	11,923
Net assets transfer	**754**	2,993
Increase in permanently restricted net assets	**21,466**	14,916
Increase in net assets	**546,672**	393,776
Net assets at beginning of year	**3,865,198**	3,471,422
Net assets at end of year	**$ 4,411,870**	$ 3,865,198

See accompanying notes

Children's Medical Center and Subsidiaries

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended September 30 2013	2012
Operating activities		
Change in net assets	**$ 546,672**	$ 393,776
Noncash and nonoperating activities included in change in net assets		
Depreciation and amortization	**101,149**	97,901
Restricted contributions	**(82,201)**	(89,440)
Net realized and unrealized gain on investments	**(264,504)**	(292,488)
Net unrealized gains on investments classified as trading securities	**(11,396)**	(21,464)
Changes in operating assets and liabilities		
Investments classified as trading	**(56,418)**	(36,126)
Patient accounts receivable	**(6,000)**	12,892
Other accounts receivable	**(6,928)**	(7,319)
Other current assets	**1,442**	(44,108)
Accounts payable and accrued expenses	**16,858**	(3,848)
Estimated third-party liabilities	**(6,000)**	(4,387)
Other liabilities	**(139,359)**	99,194
Net cash provided by operating activities	**93,315**	104,583
Financing activities		
Payments of note payable	**(783)**	(819)
Capital lease payments	**(867)**	(969)
Increase in pledges receivable	**(25,943)**	(38,673)
Restricted contributions	**82,201**	89,440
Net cash provided by financing activities	**54,608**	48,979
Investing activities		
Purchases of investments	**(1,253,457)**	(1,070,303)
Proceeds from sales of investments	**1,235,919**	1,034,514
Additions to fixed assets, net of retirements	**(183,256)**	(141,099)
Increase in other assets whose use is limited	**(872)**	(2,672)
Net cash used in investing activities	**(201,666)**	(179,560)
Net decrease in cash and cash equivalents	**(53,743)**	(25,998)
Cash and cash equivalents at beginning of year	**182,981**	208,979
Cash and cash equivalents at end of year	**$ 129,238**	$ 182,981

See accompanying notes

Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2013

1. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Children's Medical Center Corporation and its subsidiaries (collectively, the Medical Center) including (a) Children's Hospital (the Hospital), which engages in pediatric patient care, research, training, and community service, (b) 15 tax-exempt Foundations (the Foundations), which are organized for charitable, scientific, and educational purposes, and operate for the benefit of the Hospital and Harvard Medical School (Harvard) by providing medical and health care services primarily to patients at the Hospital and of other health care providers at satellite locations, (c) the Physicians' Organization at Children's Hospital, Inc (the P O), which provides coordination and general oversight of the clinical and medicine practices and related health care services of the Foundations, (d) CHB Properties, Inc , which owns and operates real property and distributes the net income of such property to the Medical Center, (e) Longwood Research Institute, Inc , which holds real property for the benefit of the Hospital in the furtherance of its research mission, (f) Fenmore Realty Corporation, which owns and operates real property and distributes the net income of such property to the Medical Center, and (g) Longwood Corporation, which owns and operates real property and distributes the net income of such property to the Medical Center

Certain Foundations have fiscal year-ends that differ from the Medical Center's fiscal year-end date of September 30 The Medical Center has consolidated the financial statements of these Foundations based on their most recent audited financial statements as of September 30, 2013, which in no case is more than three months prior to this date

All material intercompany balances and transactions are eliminated in the consolidation

Use of Estimates

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

Reclassification

Certain amounts for the year ended September 30, 2012, have been reclassified to be consistent with the presentation of the amounts for the year ended September 30, 2013

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash equivalents include money market instruments with average maturities of less than 90 days, excluding amounts included in investments and other assets whose use is limited Cash balances maintained with financial institutions may exceed federal depository insurance limits, however, management believes the credit risk related to these financial institutions is minimal The Medical Center has not experienced any losses in such accounts, and it believes it is not exposed to any significant risk at September 30, 2013

Investments and Other Assets Whose Use Is Limited

Investments and other assets whose use is limited include the following Board-designated assets for plant replacement and expansion and mission-related activities, donor-restricted assets and funds held for others (all of which participate in the investment pool), externally managed trusts associated with deferred giving arrangements, and deferred compensation (which are invested primarily in mutual funds and government obligations, and are reported at fair value)

Medical Center

The Medical Center follows the practice of pooling resources of unrestricted and restricted assets for long-term investment purposes The investment pool is operated on the market value method, whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool

Investments in marketable debt and equity securities are stated at fair value determined principally from quoted market prices Realized gains and losses on investment transactions are computed on an average-cost basis Net realized gains or losses on unrestricted investments and impairments in investment values that are determined to be other than temporary are reported as nonoperating gains (losses) Net unrealized gains or losses on unrestricted assets are recorded as an increase or decrease in unrestricted net assets Net realized and unrealized gains or losses on restricted assets are recorded as an increase or decrease to the restricted net asset balance Unrestricted investment income is reported in nonoperating gains Investment income on endowment funds appropriated by the Board of Trustees for expenditure is reported as

1. Summary of Significant Accounting Policies (continued)

nonoperating gains, except for $24,220,000 in 2013 and $26,590,000 in 2012, which was appropriated to support specific mission-related operating activities and is reported as operating revenue Restricted investment income is recorded as an increase to the restricted net asset balance

Real estate purchased and held for investment is accounted for at cost less accumulated depreciation Alternative investments (nontraditional, not readily marketable holdings) include hedge funds and private equity funds Alternative investment interests generally are structured such that the Medical Center holds a limited partnership interest The Medical Center's ownership structure does not provide for control over the related investees and the associated financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment Future funding commitments for alternative investments aggregated approximately $127,597,000 at September 30, 2013 and $121,993,000 at September 30, 2012

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

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

Foundations

The Foundations classify their investments as trading securities with investment income (including realized and unrealized gains and losses on investments, interest, and dividends) included in the excess of revenues over expenses unless the income is restricted by donor or law Investments in marketable equity and debt securities and mutual funds are carried at quoted

1. Summary of Significant Accounting Policies (continued)

market values (fair value) of the investments at the balance sheet date The Foundations also invest in alternative investments and report their investments on the same basis as the Medical Center, as described above

Inventories

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

Property, Plant, and Equipment

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

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

Original Issue Discount and Debt Issuance Fees

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

Pledges

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

1. Summary of Significant Accounting Policies (continued)

Net Assets

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

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

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

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

Net Patient Services Revenue

Revenues are recorded during the period the health care services are provided, based upon the estimated net realizable amounts due from patients and third-party payors Third-party payors include federal and state agencies (under Medicare, Medicaid, and other programs), managed care health plans, commercial insurance companies, and employers Estimates of contractual allowances related to third-party payors are based upon the payment terms specified in the related contractual agreements Contractual adjustments are accrued on an estimated basis in the period in which the related services are rendered If estimated allowances are adjusted in future

1. Summary of Significant Accounting Policies (continued)

periods, the adjustments are recorded as changes in estimates of prior year third-party settlements Revenues related to uninsured patients and copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts) The Medical Center and its subsidiaries also record a provision for doubtful accounts related primarily to uninsured accounts to record the net self-pay accounts receivable at the estimated amounts expected to be collected The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators

Accounts receivable are reduced by an allowance for doubtful accounts Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Medical Center follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the Medical Center Accounts receivable are written off after collection efforts have been followed in accordance with the Medical Center's policies

Incentive Payments for Using Electronic Health Records

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology Providers must demonstrate meaningful use of such technology to qualify for Medicaid incentive payments

The Medical Center accounts for HITECH incentive payments under a grant accounting model Income from Medicaid incentive payments is recognized as revenue after the Medical Center has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the 12-month cost report period that will be used to determine the final incentive payment has ended Medicaid EHR incentive payments recognized as revenue for the

1. Summary of Significant Accounting Policies (continued)

years ended September 30, 2013 and 2012, totaled $13,266,000 and $2,320,000, respectively, and are reported in other operating revenues Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated Additionally, the Medical Center's attestation of compliance with the meaningful use criteria is subject to audit by the federal government

Research Grants and Contracts

The Medical Center, through the Hospital, engages in research activities funded by grants and contracts with federal and state governments, and various private sources Revenues associated with grants and contracts are recognized as the related costs are incurred Research funds received in advance are reported as deferred revenue, and are recognized as earned revenue as the related research expenditures are incurred

Recoveries of indirect costs relating to certain government grants and contracts are reimbursed at predetermined rates negotiated with government agencies Recoveries of indirect costs relating to nongovernment grants are reimbursed at varying rates, depending upon sponsor policies

Contributions

Unrestricted contributions are recorded as operating revenue, restricted contributions are recorded as additions to restricted net asset balances Donated securities and property are recorded at fair value as of the date of donation

Income Taxes

The Medical Center, the Hospital, the Foundations, the P O , CHB Properties, Inc , and Longwood Research Institute, Inc , are Section 501(c)(3) organizations exempt from income taxes on related business income pursuant to Internal Revenue Code (the Code) Section 501(a)) Longwood Corporation and Fenmore Realty Corporation are Section 501(c)(2) organizations exempt from income taxes on related business income pursuant to Code Section 501(a)

2. Investments and Other Assets Whose Use Is Limited

Investments and other assets whose use is limited consist of the following, at fair value, at September 30 (in thousands)

	September 30	
	2013	**2012**
Pooled investments		
Cash and cash equivalents	**$ 48,028**	$ 55,811
Equity securities	**977,295**	882,356
Fixed income securities	**648,037**	547,372
Alternative investments	**1,347,016**	1,240,108
Total pooled investments	**3,020,376**	2,725,647
Nonpooled investments		
Cash equivalents	**188,046**	221,440
Mutual funds	**160,466**	119,217
Equity securities	**228,997**	182,466
Fixed income securities	**298,721**	311,747
Real estate	**240,591**	243,343
Other	**16,714**	1,490
Total nonpooled investments	**1,133,535**	1,079,703
Externally administered trusts (marketable debt and equity securities)	**49,476**	47,308
Total investments and other assets whose use is limited	**$ 4,203,387**	$ 3,852,658

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt, equity and real asset securities, and interests in other alternative investments

The Medical Center may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products Alternative investments often have liquidity restrictions under which the Medical Center's capital may be divested only at specified times The Medical Center's liquidity restrictions may be up to seven years or longer for certain private equity investments Liquidity restrictions may apply to all or portions of a particular invested amount

2. Investments and Other Assets Whose Use Is Limited (continued)

At September 30, these investments and other assets whose use is limited are presented in the accompanying consolidated balance sheets as follows (in thousands)

	September 30	
	2013	**2012**
Investments, unrestricted as to use	**$ 1,731,308**	$ 1,488,284
Investments and other assets whose use is limited		
By Board designation for plant replacement and expansion, and mission-related activities	**1,811,815**	1,739,757
By donor-imposed restriction	**494,224**	466,734
For deferred compensation and other benefit obligations	**109,674**	102,309
By externally administered trusts	**49,476**	47,308
Other		
As funds held for others	**1,044**	993
Other	**5,846**	7,273
	6,890	8,266
Total investments and other assets whose use is limited	**$ 4,203,387**	$ 3,852,658

For the year ended September 30, 2013, investment earnings were reported as follows (in thousands)

	Unrestricted	**Temporarily Restricted**	**Total**
Interest and dividend income			
Operating revenue	**$ 24,220**	**$ –**	**$ 24,220**
Nonoperating revenue	**14,792**	**–**	**14,792**
Increase in temporarily restricted net assets	**–**	**2,207**	**2,207**
Increase in value of alternative investments	**150,744**	**21,226**	**171,970**
Net realized gain	**123,368**	**13,643**	**137,011**
Recognition of unrealized losses	**(31,359)**	**(4,854)**	**(36,213)**
Net unrealized gains on available-for-sale securities	**11,185**	**(19,449)**	**(8,264)**
Net unrealized gains on trading securities	**11,396**	**–**	**11,396**
Total return on investments	**$ 304,346**	**$ 12,773**	**$ 317,119**

2. Investments and Other Assets Whose Use Is Limited (continued)

Investment income is reported net of fees of $7,477,000 for the year ended September 30, 2013

For the year ended September 30, 2012, investment earnings were reported as follows (in thousands)

	Unrestricted	Temporarily Restricted	Total
Interest and dividend income			
Operating revenue	$ 26,590	$ –	$ 26,590
Nonoperating revenue	5,460	–	5,460
Increase in temporarily restricted net assets	–	1,478	1,478
Increase in value of alternative investments	90,241	11,499	101,740
Net realized gain	53,746	3,735	57,481
Recognition of unrealized losses	(8,815)	(1,360)	(10,175)
Net unrealized gains on available-for-sale securities	127,922	15,520	143,442
Net unrealized gains on trading securities	21,464	–	21,464
Total return on investments	$ 316,608	$ 30,872	$ 347,480

Investment income is reported net of fees of $7,135,000 for the year ended September 30, 2012

The Medical Center retains professional investment managers for the management of all pooled investments These managers invest in temporary cash investments, fixed income securities, and equities In addition, as part of their investment strategy, certain managers may engage in short-selling and futures and options trading Management believes that the risk of accounting loss associated with short-selling and futures and options-trading strategies is no greater than that associated with other investment strategies, which do not involve off-balance sheet risk

Management continually reviews its investment portfolio where the fair value is below cost, and in cases where the decline is considered to be other than temporary, an adjustment is recorded to realize the loss The Medical Center recorded a realized loss for other-than-temporary declines in the fair value of investments of approximately $36,213,000 and $10,175,000 for the years ended

2. Investments and Other Assets Whose Use Is Limited (continued)

September 30, 2013 and 2012, respectively, of which $31,359,000 and $8,815,000 is included in unrestricted investment income, and $4,854,000 and $1,360,000 is included in changes in temporarily restricted net assets There were no investments that had aggregate gross unrealized losses at September 30, 2013 or 2012

3. Contributions

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

	September 30	
	2013	**2012**
Gross contributions	**$ 104,381**	$ 108,422
Provision for uncollectible accounts	**(2,486)**	(1,138)
Amortization of discount	**(2,278)**	(2,809)
Net contributions	**$ 99,617**	$ 104,475

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

	September 30	
	2013	**2012**
Unrestricted contributions	**$ 17,416**	$ 15,035
Temporarily restricted	**61,489**	77,517
Permanently restricted	**20,712**	11,923
Net contributions	**$ 99,617**	$ 104,475

3. Contributions (continued)

In addition to the $104,381,000 in gross contributions raised for the year ended September 30, 2013, the Medical Center raised $34,573,000 in nongovernmental grant awards, to bring the total funds raised to $138,954,000 In addition to the $108,422,000 in gross contributions raised for the year ended September 30, 2012, the Medical Center raised $22,689,000 in nongovernmental grant awards, to bring the total funds raised to $131,111,000

Contributions pledged to the Medical Center are due as follows at September 30 (in thousands)

	September 30	
	2013	**2012**
Due in less than one year	**$ 28,333**	$ 30,384
Due in one to five years	**74,288**	48,524
Due in more than five years	**38,108**	32,155
	140,729	111,063
Less discount to present value	**(9,283)**	(7,003)
Less allowance for uncollectible pledges	**(7,120)**	(5,677)
Total pledges receivable, net	**124,326**	98,383
Less current portion of pledges receivable, net	**(26,818)**	(28,784)
Noncurrent portion of pledges receivable, net	**$ 97,508**	$ 69,599

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

The Medical Center's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community Services provided to the poor include services provided to persons who are uninsured or underinsured without expectation of payment or at amounts less than its established rates

The Medical Center provides quality medical care regardless of race, creed, sex, sexual orientation, national origin, handicap, age, or ability to pay Although reimbursement for services rendered is critical to the operations and stability of the Medical Center, it is recognized that not all individuals possess the ability to pay for essential medical services and that the Medical Center's mission is to serve the community with respect to health care and health care education

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

In keeping with the Medical Center's commitment to serve members of the community, the Medical Center provides the following charity care to the indigent, care to persons covered by governmental programs at below cost, and health care activities and programs to support the community These activities include wellness programs, community education programs, health screenings, and a broad variety of community support services

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

The Medical Center makes available free care programs for qualifying patients under its charity care and financial aid policy The Medical Center obtains additional financial information for uninsured or under-insured patients who do not qualify or have not supplied requisite information to qualify for charity care The additional information is used by the Medical Center in determining whether to qualify patients for charity care and/or financial aid For patients who were determined by the Medical Center to have the ability to pay but did not, the uncollected amounts are reported as bad debt expense

The costs of uncompensated care (other than bad debts) and community benefit activities are derived from various Medical Center records Amounts for activities as reported below are based on estimated and actual data, subject to changes in estimates upon the finalization of the Medical Center's cost report, and other government filings The amounts reported below are calculated in accordance with guidelines prescribed by the Internal Revenue Service (IRS) The net cost of charity includes the direct and indirect cost of providing charity care services, and is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care

As the Hospital and the Foundations do not pursue collection of amounts determined to qualify as free care, they are not reported as net patient services revenue The Hospital also supports the delivery of health care services to the indigent through payments to the Health Safety Net Trust (HST), which is administered by the Commonwealth of Massachusetts

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

The amounts of HST assessment and receipts, provision for uncollectible accounts, and free care were as follows for the year ended September 30 (in thousands)

	Year Ended September 30	
	2013	**2012**
HST assessment	**$ 7,895**	$ 8,314
HST receipts (net patient service revenue)	**(3,850)**	(3,850)
Net disbursements to HST	**4,045**	4,464
Provision for uncollectible accounts	**33,058**	30,789
Free care (at cost)	**12,900**	9,231
Total HST, provision, and free care	**$ 50,003**	$ 44,484

5. Property, Plant, and Equipment

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

	September 30	
	2013	**2012**
Land and improvements	**$ 17,050**	$ 17,050
Buildings, leasehold, and related improvements	**1,416,618**	1,324,489
Equipment	**635,356**	594,983
Construction-in-progress	**178,137**	127,705
	2,247,161	2,064,227
Less accumulated depreciation and amortization	**(1,249,908)**	(1,150,816)
	$ 997,253	$ 913,411

At September 30, 2013 and 2012, the Medical Center had commitments of approximately $71,069,000 and $101,564,000, respectively, to complete projects relating to capital construction and software development

6. Asset Retirement Obligations

Conditional asset retirement obligations amounted to $16,544,000 and $16,658,000 as of September 30, 2013 and 2012, respectively These obligations are recorded in other liabilities in the accompanying consolidated balance sheets There are no assets that are legally restricted for purposes of settling asset retirement obligations

During 2013 and 2012, retirement obligations incurred and settled amounted to $2,067,000 and $1,615,000, respectively Accretion expenses of $1,953,000 and $1,787,000 were recorded during the years ended September 30, 2013 and 2012, respectively

7. Other Assets

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

	September 30 2013	2012
Expected insurance recoveries for professional liability claims (Note 14)	**$ 38,193**	$ 42,753
Employee loans receivable	**13,487**	11,104
Medical resident tax refund (Note 17)	**–**	7,079
Unamortized debt issuance costs	**3,632**	3,971
Other	**1,241**	922
	$ 56,553	$ 65,829

8. Leases

The Medical Center and its subsidiaries lease clinical and office space under operating leases, some of which include fixed escalation clauses The obligations under noncancelable leases as of September 30, 2013, are as follows (in thousands)

2014	$ 29,606
2015	29,306
2016	29,722
2017	28,312
2018	26,822
Thereafter	111,136
Total operating leases	$ 254,904

8. Leases (continued)

Rent expense was approximately $41,997,000 and $41,298,000 for the years ended September 30, 2013 and 2012, respectively

The Medical Center records rent expense on a straight-line basis over the life of the lease and records accrued rent as the difference between rent expense and actual payments made As of September 30, 2013 and 2012, the accumulated difference between rent expense and amounts paid amounted to $10,257,000 and $8,088,000, respectively, which is included in other liabilities in the accompanying consolidated balance sheets

9. Long-Term Debt and Mortgage Notes

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

	September 30	
	2013	**2012**
Bank term loan	**$ 200,000**	$ 200,000
Massachusetts Health and Educational Facilities Authority (MHEFA) issues		
Series M	**124,586**	124,520
Series N	**341,590**	341,590
Capital leases	**797**	1,667
	666,973	667,777
Less current portion of long-term debt	**260**	870
	$ 666,713	$ 666,907

Bank Term Loan

On August 28, 2008, the Hospital entered into a term loan agreement with a bank in the amount of $200,000,000 Proceeds from the loan were used to purchase the Children's Hospital Series L-1 and L-2 MHEFA Revenue Bonds from the bank These bonds were previously purchased by the bank during 2008 under the terms of the standby bond purchase agreement, which was triggered when remarketing efforts on these bonds began to fail The bank loan bears interest at a variable rate of 0 68% and 0 72% at September 30, 2013 and 2012, respectively, and was scheduled to mature on October 15, 2014 Interest payments are due monthly

9. Long-Term Debt and Mortgage Notes (continued)

On December 10, 2013, the Hospital entered into two direct purchase loan agreements with banks to refinance the $200,000,000 term loan The first loan agreement is for $100,000,000 at a variable tax-exempt rate (68% of one-month LIBOR) for fifteen years and the second loan agreement is for $100,640,000 at a variable tax-exempt rate (68% of one-month LIBOR) for ten years Interest payments are due monthly Principal is due at maturity in 2028 and in 2023

Series M Bonds

On November 18, 2009, the Hospital issued Series M MHEFA Revenue Bonds in the aggregate principal amount of $126,110,000 The Bond proceeds were used to reimburse and fund certain capital additions, renovations, and equipment expenditures The bonds, with a final maturity in December 2039, were issued at a net discount in the amount of $1,780,287 to bear interest at yields, which increase from 5 30% to 5 40% as maturities lengthen Interest payments are due semiannually The first annual principal payment is due in 2033

Series N Bonds

On May 13, 2010, the Hospital issued Series N MHEFA Revenue Bonds in the amount of $341,590,000 The Bond proceeds redeemed MHEFA's Revenue Bonds, Children's Hospital Issue, Periodic Auction Reset Securities Series G, H, I, J, and K The Series N Bonds have a final maturity in October 2049 and were issued as Variable Rate Demand Revenue Bonds secured by bank letters of credit These bank letters of credit were set to expire on October 15, 2013, and May 13, 2015 Interest payments are due monthly Interest on the bonds is variable based on weekly (Series N-1, N-2, N-3) and daily (Series N-4) auctions and was 0 05%, 0 08%, 0 05%, and 0 07% for Series N-1, N-2, N-3, and N-4, respectively, on September 30, 2013

The letter of credit set to expire on October 15, 2013, was extended until the new letter of credit was issued On December 2, 2013, the Hospital replaced the bank letters of credit that were due to expire, with two new bank letters of credit These bank letters of credit will expire on December 2, 2016, and November 30, 2018

9. Long-Term Debt and Mortgage Notes (continued)

Capital Leases

During 2008, the Hospital obtained MHEFA financing of $2,900,000 for equipment to be purchased under capital leases Principal and interest were paid semiannually through 2013 at an annual interest rate of 3 0% The outstanding balance as of September 30, 2012, is $616,000 (none at September 30, 2013)

During 2011, the Hospital obtained MHEFA financing of $1,300,000 for equipment to be purchased under capital leases Principal and interest are paid semiannually through 2016 at an annual interest rate of 2 15% The outstanding balance as of September 30, 2013 and 2012, is $797,000 and $1,051,000, respectively

Total obligations under all capital leases approximated $797,000 and $1,667,000 at September 30, 2013 and 2012, respectively Future obligations amount to $276,000 in 2014, $276,000 in 2015, and $275,000 in 2016 Amounts representing capital lease interest approximate $30,000 and $65,000 at September 30, 2013 and 2012, respectively

Mortgage Notes

On August 1, 2008, Fenmore Realty Corporation entered into a mortgage note in the amount of $43,250,000 The note is secured by certain real estate investments The note bears interest at a fixed rate of 6 53%, and matures at varying annual amounts through 2018 The principal and interest payments are $3,291,000 each year through 2018

On November 9, 2009, CHB Properties, Inc acquired the remaining property interest in a medical office building and assumed the balance of the mortgage note in the amount of $27,837,000 The note bears interest at a fixed rate of 5 54% and matures at varying annual amounts through 2014 Principal and interest payments of $1,742,000 are due monthly

On October 1, 2013, CHB Properties, Inc entered into a term loan with a bank in the amount of $27,000,000 to pay off the remaining balance of the mortgage note on the medical office building The bank loan bears interest at a variable rate and is scheduled to mature on October 15, 2016 Interest payments are due monthly

As of September 30, 2013, the Medical Center was in compliance with its debt covenants

9. Long-Term Debt and Mortgage Notes (continued)

Future Maturities

Future maturities of long-term debt and mortgage notes as of September 30, 2013, are as follows

	Bank Term Loan	Series M Bonds	Series N Bonds	Mortgage Notes	Capital Leases	Total
Years ending September 30						
2014	$ –	$ –	$ –	$ 27,749	$ 260	$ 28,009
2015	200,000	–	–	684	265	200,949
2016	–	–	–	762	272	1,034
2017	–	–	–	814	–	814
2018	–	–	–	37,370	–	37,370
Thereafter	–	126,110	341,590	–	–	467,700
Total	$ 200,000	$ 126,110	$ 341,590	$ 67,379	$ 797	$ 735,876

Interest Rate Swap Agreements

The Medical Center was a party to the following interest rate swap agreements as of September 30, 2013

Inception Date	Notional Amount	Fixed Interest Rate	Maturity Date
December 2007	$ 120,000,000	3 42%	December 2041
May 2006	119,875,000	3 57	April 2040
August 2004	70,000,000	4 00*	October 2027
November 2003	50,000,000	3 13	November 2040
December 2001	35,000,000	4 72	December 2021
December 2001	35,000,000	4 72	December 2026
May 2001	105,250,000	4 58	December 2036

*Fixed at 4 0% through October 1, 2027, if the variable rate tax-exempt index reaches 4 5%

9. Long-Term Debt and Mortgage Notes (continued)

The Medical Center uses interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt These swaps effectively convert interest rates on variable rate bonds to fixed rates The interest rate swap agreements meet the definition of derivative instruments Consequently, the aggregate fair value of the swaps (a liability of $100,066,000 at September 30, 2013) is reported in long-term liabilities in the accompanying consolidated balance sheets, and the change in fair value of $55,515,000 and ($6,096,000) for the years ended September 30, 2013 and 2012, respectively, is reported as a nonoperating gain (loss) in the consolidated statements of operations and changes in net assets The swaps, while serving as an economic hedge, do not qualify as an accounting hedge

Cash flows under the swaps netted to payments of approximately $17,763,000 and $17,528,000 in 2013 and 2012, respectively, which is reported with interest expense in the consolidated statements of operations and changes in net assets

Three of the interest rate swaps are cancellable at the option of the counterparty at any time if the variable interest rate is greater than or equal to 7% The aggregate fair value of these swaps as of September 30, 2013 and 2012, is a liability of approximately $25,696,000 and $38,724,000, respectively

Guaranteed Debt

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

The Hospital has also guaranteed $630,000 of the principal of $4,410,000 of revenue bonds issued by MHEFA on behalf of the Community Health Center Capital Funds As of September 30, 2013, there have not been any requirements to honor calls under this guarantee

Interest paid was $11,672,000 and $12,141,000 for the years ended September 30, 2013 and 2012, respectively Interest capitalized in connection with ongoing construction projects approximated $1,713,000 and $1,067,000 in 2013 and 2012, respectively

10. Restricted Net Assets

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

	September 30 2013	2012
Mission-related activities	**$ 232,126**	$ 216,015
Accumulated gains on permanently restricted net assets	**246,414**	228,390
	$ 478,540	$ 444,405

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

	September 30 2013	2012
Investments to be held in perpetuity, the income from which is		
Unrestricted as to use	**$ 28,146**	$ 28,089
Restricted for patient care-related activities	**131,882**	120,586
Restricted for research	**11,198**	1,532
Restricted for medical education	**18,260**	17,813
	$ 189,486	$ 168,020

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

Management of the Medical Center has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the gift absent explicit donor stipulation to the contrary Permanently restricted net assets are classified as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent

10. Restricted Net Assets (continued)

endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure The Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (1) the duration and preservation of the fund, (2) the purpose of the Medical Center and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Medical Center

For the year ended September 30, 2013, the components of endowment-related activities include the following (in thousands)

	Board-Designated Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total Endowment Funds
Year ended September 30, 2013				
Endowment net assets at beginning of year	**$ 767,787**	**$ 230,702**	**$ 138,828**	**$ 1,137,317**
Investment return				
Investment income	**6,264**	**2,721**	**–**	**8,985**
Net appreciation	**66,114**	**28,488**	**–**	**94,602**
Total investment return	**72,378**	**31,209**	**–**	**103,587**
Contributions	**6,522**	**–**	**13,295**	**19,817**
Net asset reclassifications	**8,626**	**–**	**2,206**	**10,832**
Amounts appropriated for expenditure	**(32,912)**	**(14,743)**	**–**	**(47,655)**
Endowment net assets at end of year	**$ 822,401**	**$ 247,168**	**$ 154,329**	**$ 1,223,898**

10. Restricted Net Assets (continued)

For the year ended September 30, 2012, the components of endowment-related activities include the following (in thousands)

	Board-Designated Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total Endowment Funds
Year ended September 30, 2012				
Endowment net assets at beginning of year	$ 675,707	$ 207,078	$ 122,148	$ 1,004,933
Investment return				
Investment income	5,104	2,160	–	7,264
Net appreciation	80,761	34,729	–	115,490
Total investment return	85,865	36,889	–	122,754
Contributions	21,879	–	13,487	35,366
Net asset reclassifications	14,189	–	3,193	17,382
Amounts appropriated for expenditure	(29,853)	(13,265)	–	(43,118)
Endowment net assets at end of year	$ 767,787	$ 230,702	$ 138,828	$ 1,137,317

The Medical Center's investment and spending policies for endowment assets are intended to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor-restricted funds that the Medical Center must hold in perpetuity and the unexpended appreciation on those funds and unrestricted funds, which the Board has designated to function as endowments in support of mission-related activities Under this policy, as approved by the Board of Trustees, the endowment assets are invested with the expectation they will generate a long-term rate of return of approximately 7% per annum Actual returns in any given year may vary from this amount

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

10. Restricted Net Assets (continued)

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration Deficiencies of this nature that are reported in unrestricted net assets are $7,000 and $47,000 as of September 30, 2013 and 2012, respectively These deficiencies resulted from unfavorable market fluctuations

The Hospital's donor match program matches certain permanently restricted gifts from donors under a predefined ratio This program has resulted in several major gifts to the Hospital in support of certain strategic purposes

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

	September 30	
	2013	**2012**
Mission-related activities	**$ 35,834**	$ 45,850
Property, plant, and equipment	**3,713**	1,751
	$ 39,547	$ 47,601

11. Net Patient Services Revenue

The Hospital and the Foundations have agreements with numerous third-party payors that provide for payments at amounts different from their established charges Contracts with commercial providers provide for payments based on a variety of methodologies, including discounted charges, per-case/per-diem arrangements, and fee schedules for certain outpatient and professional services Medicaid payments are based on a contract with the Massachusetts Executive Office of Health and Human Services, and hospital services are reimbursed on a standardized payment-per-encounter basis for outpatients, a standardized per-adjusted-discharge basis for inpatients, and a fee schedule for professional services Medicare reimbursements are based upon Medicare's proportionate share of reasonable costs for hospital services and a fee schedule for professional services

11. Net Patient Services Revenue (continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Revenues from Medicare and Medicaid, including Medicaid out-of-state programs, accounted for approximately 1 0 % and 16 5%, respectively, of the Hospital and the Foundations' net patient services revenue for 2013 Revenues from Medicare and Medicaid, including Medicaid out-of-state programs, accounted for approximately 0 7% and 16 0%, respectively, of the Hospital and the Foundations' net patient services revenue for 2012

During 2013 and 2012, in connection with special legislative appropriations, the Medical Center received $18,014,000 and $18,019,000, respectively, from the Federal Children's Hospital's GME program for reimbursement of graduate medical education expense There is no guarantee that similar appropriations will occur in the future, or at what level

Differences between estimated and final settlements are recorded as contractual adjustments in the year determined The Medical Center recorded favorable adjustments of approximately $9,888,000 and $9,908,000 in 2013 and 2012, respectively, as a result of final settlements and other adjustments to prior year estimates

The Hospital's and Foundations' allowances for doubtful accounts increased from 14% of accounts receivable at September 30, 2012, to 16% of accounts receivable at September 30, 2013 The Hospital's and Foundations' self-pay and third-party payor write-offs were $45,181,000 and $40,846,000 for fiscal years 2013 and 2012, respectively, tracking consistently at 3% of patient services revenue for these periods There were no significant changes in the allowance for doubtful accounts during 2013 The Hospital and Foundations have not changed their charity care or uninsured discount policies during fiscal year 2013

11. Net Patient Services Revenue (continued)

The Hospital and the Foundations grant credit without collateral to their patients The concentration of credit risk by payor, as measured by patient accounts receivable, net of contractual adjustments, was as follows for the years ended September 30

	Year Ended September 30	
	2013	**2012**
Commercial/other managed care	**34.4%**	33 3%
Blue Cross	**24.7**	23 7
Medicaid	**16.9**	19 1
International	**13.5**	12 1
Patients	**8.8**	9 6
Other governmental	**1.7**	2 2
Total	**100.0%**	100 0%

Revenues from third-party payors, the uninsured, and other revenues for the fiscal years ended September 30 are summarized in the following table (in thousands)

	Year Ended September 30, 2013		Year Ended September 30, 2012	
	Amount	**Ratio**	**Amount**	**Ratio**
Commercial/other managed care	**$ 581,830**	**40.6%**	$ 566,448	40 3%
Blue Cross	**472,200**	**33.0**	490,276	34 9
Medicaid	**253,724**	**17.7**	236,979	16 8
International	**49,728**	**3.5**	54,320	3 9
Patients	**15,922**	**1.1**	14,141	1 0
Other governmental	**30,989**	**2.2**	23,473	1 6
Other	**26,586**	**1.9**	20,593	1 5
Revenues before provision for uncollectible accounts	**1,430,979**	**100.0**	1,406,230	100 0
Provision for uncollectible accounts	**(33,058)**	**(2.4)**	(30,789)	(2 2)
Net patient services revenue	**$ 1,397,921**	**97.6%**	$ 1,375,441	97 8%

12. Employees' Retirement Plans

The Hospital sponsors two noncontributory, defined benefit retirement plans (the Regular Employees' Pension Plan and the Maintenance Employees' Pension Plan), which cover substantially all employees of the Hospital The Regular Employees' Pension Plan and the Maintenance Employees' Pension Plan are cash balance plans under which benefits are based on the annuitized value of a participant's account, which consists of basic credits (determined on age, years of vesting service, and compensation), plus interest credits thereon The measurement date of these plans is September 30 The Hospital does not provide post-retirement benefits other than pension to its retirees

The Foundations maintain eight defined benefit pension plans for eligible employees at retirement based upon years of service, age, and compensation rates near retirement These plans call for benefits to be paid to eligible employees at retirement based upon years of service and compensation earned as set forth in each plan Contributions to these plans reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future, and are based upon actuarially determined requirements Annual measurement dates for these respective plans are June 30 or September 30, based on their fiscal year-ends

One of the Foundations also maintains a postretirement medical plan, which provides eligible participants and their dependents with postretirement health benefits The plan is intended to qualify as a medical reimbursement plan under IRC Section 105(b) Participants must meet age and years of service requirements A fixed amount is credited to a participant's accounts based on years of service, with a cost of living adjustment credited annually The measurement date is June 30 for the postretirement medical plan

12. Employees' Retirement Plans (continued)

Reconciliation of Funded Status and Accumulated Benefit Obligation

A reconciliation of the changes in the defined benefit pension plans' aggregate projected benefit obligation, fair value of assets, and the accumulated benefit obligation of the plans for the years ended September 30 is as follows (in thousands)

	Year Ended September 30	
	2013	**2012**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 681,870**	$ 573,796
Service cost	**49,110**	43,879
Interest cost	**25,361**	27,049
Actuarial (gain) loss	**(76,502)**	58,816
Plan amendments	**2,405**	–
Effect of settlements	**(10,278)**	168
Benefits paid	**(21,790)**	(21,838)
Benefit obligations at end of year	**650,176**	681,870
Change in plan assets		
Fair value of plan assets at beginning of year	**607,814**	537,320
Actual return on plan assets	**53,711**	54,195
Employer contributions	**37,384**	38,137
Effect of settlement and amendment	**(8,062)**	–
Benefits paid	**(21,790)**	(21,838)
Fair value of plan assets at end of year	**$ 669,057**	$ 607,814
Funded status		
Net pension asset (liability) at end of year	**$ 18,881**	$ (74,056)
Amounts not yet recognized in net periodic benefit cost and included in unrestricted net assets		
Actuarial net loss	**$ 28,575**	$ 124,006
Transition obligation cost	**1,328**	7,532
Prior service credit	**(12,928)**	(23,445)
	$ 16,975	$ 108,093

12. Employees' Retirement Plans (continued)

In 2013, one of the Foundations redefined the benefits eligible for employees and granted a one-time settlement option for vested employees to take a lump sum distribution The amounts elected and paid out of the plan during 2013 were approximately $8,062,000

The aggregate benefit obligation and fair value of plan assets for defined benefit plans with benefit obligations in excess of plan assets was $133,878,000 and $122,407,000 as of September 30, 2013, and $665,417,000 and $588,474,000 as of September 30, 2012 The aggregate benefit obligation and fair value of plan assets for defined benefit plans with fair value of plan assets in excess of benefit obligations was $516,298,000 and $546,650,000 as of September 30, 2013 and $16,453,000 and $19,340,000 as of September 30, 2012

	Year Ended September 30	
	2013	**2012**
Components of net periodic benefit cost		
Service cost	**$ 49,110**	$ 43,879
Interest cost	**25,361**	27,049
Expected return on plan assets	**(40,672)**	(35,352)
Amortization of unrecognized net loss	**2,979**	1,966
Amortization of net transition obligation	**717**	813
Effect of settlement	**1,176**	–
Amortization of prior service credit	**(135)**	(616)
Net periodic benefit cost	**$ 38,536**	$ 37,739
Accumulated benefit obligation	**$ 585,409**	$ 582,868

Transition obligation cost of $716,000, prior service credit of $2,296,000, and unrecognized actuarial losses of $743,000 are expected to be recognized in net periodic pension cost during the fiscal year ending September 30, 2014

12. Employees' Retirement Plans (continued)

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

	Year Ended September 30	
	2013	**2012**
Weighted-average assumptions for pension cost		
Discount rates	**3.75 - 4.25%**	4 00% - 5 50%
Expected return on plan assets	**2.00% - 7.50%**	4 00% - 7 00%
Rates of compensation increase	**2.00% - 4.00%**	2 00% - 5 00%

The weighted-average assumptions used to develop the projected benefit obligation for the years ended September 30, are as follows

	Year Ended September 30	
	2013	**2012**
Weighted-average assumptions for benefit obligation		
Discount rate	**4.44% - 5.00%**	3 75% - 4 25%
Rate of compensation increase	**2.00% - 4.00%**	2 00% - 4 00%

Plan Assets

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

The plans' investment objectives are to achieve long-term growth in excess of long-term inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets over a long-term time horizon In order to minimize risk, the plans intend to minimize the variability in yearly returns The plans also intend to diversify their holdings among asset classes, investment managers, sectors, industries, and companies The Hospital's and Foundations' target asset policy guidelines include total equities between 45% and 75%, total fixed income between 10% and 40%, and other strategies between 5% and 25%

12. Employees' Retirement Plans (continued)

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

	September 30	
	2013	**2012**
Domestic equities	**30.1%**	31 3%
Cash and cash equivalents	**27.9**	29 0
Fixed income	**21.4**	24 5
International equities	**15.2**	9 8
Mutual funds	**5.4**	5 4
Total	**100.0%**	100 0%

Contributions

The Hospital and Foundations expect to contribute an aggregate of approximately $28,820,000 to their pension plans in 2014

Estimated Future Benefit Payments

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

Fiscal Year	**Pension Benefits**
2014	$ 35,064
2015	29,148
2016	33,409
2017	41,525
2018	50,164
Years 2019 - 2024	265,133

12. Employees' Retirement Plans (continued)

Certain physicians, by virtue of their joint appointments at the Hospital and Harvard University, are eligible for participation in the Harvard Retirement Plan for Teaching Faculty (the Harvard Plan), a defined contribution plan, and do not participate in the Hospital's plans The Hospital's pension expense related to the Harvard Plan was approximately $3,735,000 and $5,464,000 for the years ended September 30, 2013 and 2012, respectively

The Hospital has a 403(b) Tax-Deferred Annuity Plan under which contributions can be made by employees The Hospital makes contributions to the plan based on a percentage of annual eligible earnings Hospital contributions under the plan amounted to $5,074,000 and $5,362,000 for the years ended September 30, 2013 and 2012, respectively

The Foundations have established 18 defined contribution plans to provide their long-term physician employees with fair and adequate retirement benefits These include traditional 403(b) plans, money purchase plans, and profit-sharing plans The basis for determining contributions range from 7 8% to 25% based on compensation of eligible employees

Total expense recognized by the Foundations under the defined contribution plans for the years ended September 30, 2013 and 2012, amounted to $23,526,000 and $22,534,000, respectively

13. Deferred Compensation and Other Benefit Obligations

The Medical Center and Foundations maintain a program of integrated retirement plans such as 457(b), 457(f), and supplemental executive retirement plans to provide supplemental retirement benefits to certain employees Plans provide either immediate vesting of benefits or may be determined by years of service and annual base compensation depending on the provisions set for the respective plans

The Foundations have also established other profit sharing, severance benefit, education/tuition, and long service plans to provide their physician employees with fair and adequate benefits The benefits under these plans are administered based on the provisions set forth in the respective plan documents

13. Deferred Compensation and Other Benefit Obligations (continued)

The following table outlines the assets designated, accrued liabilities, and expenses recorded for the respective deferred compensation and other benefit plans as of and for the years ended September 30 (in thousands)

2013	**Assets**	**Liabilities**	**Expense**
Supplemental retirement benefit plans	**$ 59,285**	**$ 75,806**	**$ 15,010**
Other benefit plan obligations	**50,389**	**46,565**	**16,406**
	$ 109,674	**$ 122,371**	**$ 31,406**

2012	**Assets**	**Liabilities**	**Expense**
Supplemental retirement benefit plans	$ 55,862	$ 67,666	$ 8,880
Other benefit plan obligations	46,447	41,114	13,484
	$ 102,309	$ 108,780	$ 22,364

14. Professional Liability

The Hospital's and the Foundations' primary professional and general liability insurance coverages are provided by Controlled Risk Insurance Company, Ltd (CRICO), a corporation formed and wholly owned by the Harvard-affiliated medical institutions The Hospital owns approximately 10% of CRICO's stock and accounts for this investment on a cost basis The premiums paid to CRICO are actuarially determined based on asserted claims and incurred but unasserted, claims CRICO obtains excess coverage from other insurers

The Hospital's and the Foundations' professional liability insurance policy is a retrospectively rated policy and is on a claims-made basis The Hospital and the Foundations accrue a liability for claims incurred but not reported, which as of September 30, 2013, was $15,515,000 and at September 30, 2012, was $16,608,000 Additionally, the Hospital and Foundations recorded a liability of $38,193,000 and $42,753,000, respectively, related to estimated insured professional liability losses and a corresponding receivable of $38,193,000 and $42,753,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses

14. Professional Liability (continued)

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

	Year Ended September 30	
	2013	**2012**
Professional liability insurance premiums, net of recoveries	**$ 10,884**	$ 12,110
(Decrease) increase in reserve for incurred but not reported professional liability claims	**(1,093)**	1,494
Total	**$ 9,791**	$ 13,604

15. Fair Value of Financial Instruments

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

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

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

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

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

15. Fair Value of Financial Instruments (continued)

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

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

These financial instruments exclude real estate and investments accounted for under the equity method of approximately $1,604,320,000 and $1,473,829,000 at September 30, 2013 and 2012, respectively

Financial instruments carried at fair value at September 30 are classified in the table below in one of the three categories described above (in thousands)

	Level 1	Level 2	Level 3	Total
September 30, 2013				
Assets				
Cash and cash equivalents	**$ 431,143**	**$ 3,611**	**$ –**	**$ 434,754**
U S equities	**645,510**	**79,341**	**–**	**724,851**
Global equities	**163,396**	**208,177**	**–**	**371,573**
Investment-grade fixed income	**102,961**	**398,422**	**–**	**501,383**
Mutual funds	**190,655**	**24,886**	**–**	**215,541**
High-yield fixed income	**6,391**	**116,301**	**–**	**122,692**
Global bonds fixed income	**–**	**41,249**	**–**	**41,249**
Real asset funds	**118,738**	**68,286**	**–**	**187,024**
	$ 1,658,794	**$ 940,273**	**$ –**	**$ 2,599,067**
Liabilities				
Interest rate swap agreements	**$ –**	**$ 100,066**	**$ –**	**$ 100,066**

15. Fair Value of Financial Instruments (continued)

	Level 1	Level 2	Level 3	Total
September 30, 2012				
Assets				
Cash and cash equivalents	$ 338,532	$ 4,031	$ –	$ 342,563
U S equities	532,243	52,552	–	584,795
Global equities	131,803	273,002	–	404,805
Investment-grade fixed income	234,803	447,873	–	682,676
High-yield fixed income	–	76,848	–	76,848
Global bonds fixed income	41,259	–	–	41,259
Real asset funds	165,237	80,646	–	245,883
	$ 1,443,877	$ 934,952	$ –	$ 2,378,829
Liabilities				
Interest rate swap agreements	$ –	$ 155,581	$ –	$ 155,581

Financial assets invested in the Medical Center's defined benefit pension plans are classified in the table below in one of the three categories described above at September 30 (in thousands)

2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash and cash equivalents	**$ 21,105**	**$ –**	**$ –**	**$ 21,105**
U S equities	**91,785**	**26,560**	**–**	**118,345**
Mutual funds	**33,125**	**–**	**–**	**33,125**
Global equities	**69,796**	**33,249**	**–**	**103,045**
Investment-grade fixed income	**52,534**	**22,159**	**–**	**74,693**
High-yield fixed income	**3,850**	**33,774**	**–**	**37,624**
Real asset funds	**31,844**	**18,917**	**–**	**50,761**
Domestic equity hedge funds	**–**	**–**	**110,343**	**110,343**
Distressed debt hedge funds	**–**	**–**	**54,195**	**54,195**
Multi-strategy hedge funds	**–**	**–**	**38,867**	**38,867**
Global equity hedge funds	**–**	**–**	**12,243**	**12,243**
Private equity partnerships	**–**	**–**	**14,711**	**14,711**
	$ 304,039	**$ 134,659**	**$ 230,359**	**$ 669,057**

15. Fair Value of Financial Instruments (continued)

2012	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 27,085	$ –	$ –	$ 27,085
U S equities	69,975	17,899	–	87,874
Mutual funds	32,493	216	–	32,709
Global equities	45,272	43,094	–	88,366
Investment-grade fixed income	67,576	23,524	–	91,100
High-yield fixed income	3,361	22,939	–	26,300
Real asset funds	38,729	20,498	–	59,227
Domestic equity hedge funds	–	–	101,305	101,305
Distressed debt hedge funds	–	–	49,368	49,368
Multi-strategy hedge funds	–	–	31,568	31,568
Global equity hedge funds	–	–	7,694	7,694
Private equity partnerships	–	–	5,218	5,218
	$ 284,491	$ 128,170	$ 195,153	$ 607,814

The following table sets forth a summary of changes in the fair value of the Level 3 assets for the years ended September 30 (in thousands)

	Year Ended September 30 2013	2012
Balance, beginning of year	**$ 195,153**	$ 161,489
Interest income	**–**	63
Net realized loss	**(958)**	(145)
Unrealized gains relating to investments still held at the reporting date	**14,130**	16,261
Purchases	**26,833**	22,840
Sales	**(4,799)**	(5,355)
Balance, end of year	**$ 230,359**	$ 195,153

15. Fair Value of Financial Instruments (continued)

The following table presents liquidity information for the financial instruments carried at net asset value as of September 30 (in thousands)

	September 30, 2013		September 30, 2012	
Investment Type	**Net Asset Value**	**Liquidity Restriction Range (Including Notice Period) for Redemption***	**Net Asset Value**	**Liquidity Restriction Range (Including Notice Period) for Redemption***
U S equities	$ **25,986**	0 to 60 days	$ 17.472	0 to 60 days
Global equities	**32,369**	30 to over 365 days	42.136	30 to over 365 days
Investment grade fixed income	**30,321**	0 to 30 days	17.243	0 to 30 days
Real asset funds	**18,517**	0 to 60 days	20.061	0 to 60 days
Domestic equity hedge funds	**108,531**	90 to over 365 days	99.695	90 to over 365 days
Distressed debt hedge funds	**53,481**	90 to over 365 days	48.719	90 to over 365 days
Multi-strategy hedge funds	**38,867**	90 to over 365 days	31.568	90 to over 365 days
Global equity hedge funds	**12,243**	90 to over 365 days	7.694	90 to over 365 days
Private equity partnerships	**14,711**	Up to 7 years	5.218	Up to 7 years
	$ **335,026**		$ 289.806	

*Notices for redemption can be anywhere from a few days before a redemption date to more than 90 days, assuming the fund has met its lockup period

Assets classified as Level 1 are valued using unadjusted quoted market prices for identical assets in active markets Level 2 assets include U S and global equities, fixed income securities, and real asset funds Fair value for Level 2 assets is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets Inputs are obtained from various sources, including market participants, dealers, and brokers Fair value for Level 3 assets is determined using net asset values as a practical expedient, as permitted by generally accepted accounting principles, rather than using another valuation method to independently estimate fair value There were no transfers between Level 1 and Level 2 during 2012

15. Fair Value of Financial Instruments (continued)

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

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

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

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

The Medical Center's long-term debt obligations and mortgage notes are reported in the accompanying consolidated balance sheets at principal value, less unamortized discount or premium, which totaled approximately $666,973,000 and $67,379,000, respectively, at September 30, 2013 The fair value of the long-term obligations and mortgage notes was $671,618,000 and $69,161,000, respectively at September 30, 2013 The Medical Center's long-term debt obligations and mortgage notes are reported in the accompanying consolidated balance sheets at principal value, less unamortized discount or premium, which totaled approximately $667,777,000 and $68,162,000, respectively, at September 30, 2012 The fair value of the long-term obligations and mortgage notes was $683,946,000 and $73,843,000, respectively, at September 30, 2012

Such fair value was determined assuming that the carrying value of the variable rate debt approximated fair value The fair value of fixed rate debt was determined using discounted cash flows at current interest rates These methodologies are consistent with the classification of Level 2 in the fair value hierarchy

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

16. Functional Expenses

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

	Year Ended September 30	
	2013	**2012**
Patient care	**$ 1,321,949**	$ 1,271,232
Research	**357,434**	363,422
Medical education	**40,785**	43,905
Total expenses	**$ 1,720,168**	$ 1,678,559

17. Medical Resident Tax Refund

In March 2010, the IRS announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act (FICA) taxes Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college, or university where the student is pursuing a course of study

As a result, the IRS allowed refunds for institutions that filed timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005 Institutions were eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest

At September 30, 2013, the Medical Center has recorded a receivable of approximately $2,700,000 included in other current assets As of September 30, 2012, the Medical Center recorded a receivable of approximately $7,100,000, included in other noncurrent assets At September 30, 2013 and 2012, the Medical Center has recorded a liability of approximately $1,300,000 and $3,600,000, respectively, included in other noncurrent liabilities The assets

17. Medical Resident Tax Refund (continued)

relate to the refunds to be collected The liabilities related to refunds to be collected on behalf of, and therefore to be remitted to, the medical residents and related entities The Medical Center has established these estimates based on information presently available, the estimates are subject to change as the IRS adjudicates the claims

18. Subsequent Events

Subsequent events have been evaluated for potential recognition in the financial statements through January 30, 2014, which is the date the consolidated financial statements were issued Other than disclosures included in the notes to the consolidated financial statements, no subsequent events have occurred that require disclosure in or adjustment to the consolidated financial statements

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Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Trustees
Children's Medical Center

We have audited, in accordance with accounting standards generally accepted in the United States, the consolidated financial statements of Children's Medical Center and Subsidiaries as of and for the years ended September 30, 2013 and 2012, and have issued our unmodified opinion thereon dated January 30, 2014 Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole The consolidating balance sheets and consolidating statements of operations as of and for the years ended September 30, 2013 and 2012 are presented for purposes of additional analysis and are not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

January 30, 2014

Children's Medical Center and Subsidiaries
Consolidating Balance Sheet
As of September 30, 2013
(In Thousands)

	Children's Hospital	Children's Medical Center	Obligated to the Payment of the Bonds	Physicians' Organization at Children's Hospital, Inc and Foundations	Other Subsidiaries	Eliminations	Children's Medical Center Consolidated
Assets							
Current							
Cash and cash equivalents	$ 626	$ 44,707	$ 45,333	$ 84,449	-	$ (544)	$ 129,238
Patient accounts receivable net of allowance for uncollectible accounts	119,716	-	119,716	52,301	-	-	172,017
Other receivables	33,059	18,697	51,756	9,465	150	(26,598)	34,773
Grants receivable	43,842	-	43,842	-	-	-	43,842
Due from Medical Center	1,692,215	(1,634,535)	57,680	-	(57,680)	-	-
Due from Children's Hospital		-	-	23,109	-	(23,109)	-
Current portion of pledges receivable net	28,318	-	28,318	-	-	(1,500)	26,818
Other current assets	26,241	-	26,241	5,610	158	(262)	31,747
Total current assets	1,944,017	(1,571,131)	372,886	174,934	(57,372)	(52,013)	438,435
Investments							
Unrestricted as to use	1,242	885,322	886,564	619,694	239,097	(14,047)	1,731,308
Limited by Board designation	80,850	1,208,751	1,289,601	-	-	522,214	1,811,815
Restricted by donor-imposed restriction	880,014	96,866	976,880	25,510	-	(508,166)	494,224
	962,106	2,190,939	3,153,045	645,204	239,097	1	4,037,347
Assets whose use is limited							
By externally administered trusts	49,476	-	49,476	-	-	-	49,476
For deferred compensation and other benefit obligations	3,565	-	3,565	106,109	-	-	109,674
Other	8,915	-	8,915	-	-	(2,025)	6,890
	61,956	-	61,956	106,109	-	(2,025)	166,040
Property plant and equipment net	913,579	2,539	916,118	4,934	76,201	-	997,253
Pledges receivable net	98,008	-	98,008	-	-	(500)	97,508
Net pension asset	24,598	-	24,598	-	-	(5,717)	18,881
Other assets	22,155	350	22,505	34,021	27	-	56,553
Total assets	$ 4,026,419	$ 622,697	$ 4,649,116	$ 965,202	$ 257,953	$ (60,254)	$ 5,812,017
Liabilities and net assets							
Current							
Accounts payable and accrued expenses	$ 133,190	$ (50)	$ 133,140	$ 21,892	$ (40)	$ (1,906)	$ 153,086
Accrued salaries and wages	73,936	938	74,874	18,826	-	1,851	95,551
Current portion of estimated third-party liabilities	7,125	-	7,125	-	-	(441)	6,684
Due to Children's Hospital	-	-	-	32,128	-	(32,128)	-
Promises to give	-	-	-	1,919	-	(1,919)	-
Current portion of long-term debt	2,860	(2,600)	260	-	-	-	260
Current portion of note payable	-	-	-	-	27,749	-	27,749
Deferred revenue	67,973	-	67,973	1,243	-	(32,999)	36,217
Total current liabilities	285,084	(1,712)	283,372	76,008	27,709	(67,542)	319,547
Long-term liabilities							
Long-term debt	666,713	-	666,713	-	-	-	666,713
Mortgage notes payable	-	-	-	-	39,630	-	39,630
Long-term portion of estimated third-party liabilities	19,871	-	19,871	-	-	-	19,871
Net pension liability	-	-	-	-	-	-	-
Funds held for others	35,089	12,886	47,975	-	-	(5,811)	42,164
Accrued defined benefit plan obligations net			-	5,717		(5,717)	-
Interest rate swap liability	100,066	-	100,066	-	-	-	100,066
Deferred compensation and other benefit obligations	19,138	319	19,457	102,914	-	-	122,371
Promises to give		-	-	1,083	-	(1,083)	-
Other liabilities	58,011	-	58,011	30,613	1,161	-	89,785
Total long-term liabilities	898,888	13,205	912,093	140,327	40,791	(12,611)	1,080,600
Net assets							
Unrestricted	1,685,520	611,204	2,296,724	719,709	189,453	537,958	3,743,844
Temporarily restricted	535,414	-	535,414	29,158	-	(86,032)	478,540
Permanently restricted	621,513	-	621,513	-	-	(432,027)	189,486
Total net assets	2,842,447	611,204	3,453,651	748,867	189,453	19,899	4,411,870
Total liabilities and net assets	$ 4,026,419	$ 622,697	$ 4,649,116	$ 965,202	$ 257,953	$ (60,254)	$ 5,812,017

See accompanying report of independent auditors on supplementary information

Children's Medical Center and Subsidiaries
Consolidating Balance Sheet
As of September 30, 2012
(In thousands)

	Children's Hospital	Children's Medical Center	Obligated to the Payment of the Bonds	Physicians' Organization at Children's Hospital, Inc and Foundations	Other Subsidiaries	Eliminations	Children's Medical Center Consolidated
Assets							
Current							
Cash and cash equivalents	$ 590	$ 79,948	$ 80,538	$ 101,851	$ 2,169	$ (1,577)	$ 182,981
Patient accounts receivable, net of allowance for uncollectible accounts	113,081		113,081	52,936	-	-	166,017
Other receivables	32,402	15,793	48,195	7,606	1,654	(26,760)	30,695
Grants receivable	35,622		35,622		5,370	-	40,992
Due from Medical Center	1,564,535	(1,507,772)	56,763	-	(56,763)	-	-
Due from Children's Hospital	-	-	-	28,304	-	(28,304)	-
Current portion of pledges receivable, net	30,344		30,344			(1,560)	28,784
Other current assets	20,761	-	20,761	6,307	224	(1,712)	25,580
Total current assets	1,797,335	(1,412,031)	385,304	197,004	(47,346)	(59,913)	475,049
Investments							
Unrestricted as to use	-	732,855	732,855	519,488	254,037	(18,096)	1,488,284
Limited by Board designation	68,776	1,193,658	1,262,434	-	-	477,323	1,739,757
Restricted by donor-imposed restriction	810,562	87,333	897,895	28,066	-	(459,227)	466,734
	879,338	2,013,846	2,893,184	547,554	254,037	-	3,694,775
Assets whose use is limited							
By externally administered trusts	47,308	-	47,308	-	-	-	47,308
For deferred compensation and other benefit obligations	3,486	-	3,486	98,823	-	-	102,309
Other	10,116	-	10,116	-	-	(1,850)	8,266
	60,910	-	60,910	98,823	-	(1,850)	157,883
Property, plant, and equipment, net	831,969	1,800	833,769	2,918	77,553	(829)	913,411
Pledges receivable, net	70,370	-	70,370	-	312	(1,083)	69,599
Other assets	34,484	350	34,834	30,968	27	-	65,829
Total assets	$ 3,674,406	$ 603,965	$ 4,278,371	$ 877,267	$ 284,583	$ (63,675)	$ 5,376,546
Liabilities and net assets							
Current							
Accounts payable and accrued expenses	$ 128,165	$ 318	$ 128,483	$ 19,624	$ 2,702	$ (9,380)	$ 141,429
Accrued salaries and wages	75,164	466	75,630	13,156	-	1,564	90,350
Current portion of estimated third-party liabilities	7,585	-	7,585	-	-	-	7,585
Due to Children's Hospital	-	-	-	38,037	-	(38,037)	-
Promises to give	-	-	-	1,849	-	(1,849)	-
Current portion of long-term debt	-	(3,000)	(3,000)	-	3,870	-	870
Current portion of note payable	-	-	-	-	522	-	522
Deferred revenue	56,097	-	56,097	1,333	2,969	(28,253)	32,146
Total current liabilities	267,011	(2,216)	264,795	73,999	10,063	(75,955)	272,902
Long-term liabilities							
Long-term debt	666,110	-	666,110	-	797	-	666,907
Mortgage notes payable	-	-	-	-	67,640	-	67,640
Long-term portion of estimated third-party liabilities	24,970	-	24,970	-	-	-	24,970
Net pension liability	44,279	-	44,279	29,777	-	-	74,056
Funds held for others	36,905	16,846	53,751	-	-	(7,725)	46,026
Interest rate swap liability	155,581	-	155,581	-	-	-	155,581
Deferred compensation and other benefit obligations	18,018	206	18,224	90,556	-	-	108,780
Promises to give	-	-	-	1,374	-	(1,374)	-
Other liabilities	63,217	-	63,217	30,235	1,034	-	94,486
Total long-term liabilities	1,009,080	17,052	1,026,132	151,942	69,471	(9,099)	1,238,446
Net assets							
Unrestricted	1,356,307	589,129	1,945,436	621,015	202,920	483,402	3,252,773
Temporarily restricted	451,260	-	451,260	30,311	469	(37,635)	444,405
Permanently restricted	590,748	-	590,748	-	1,660	(424,388)	168,020
Total net assets	2,398,315	589,129	2,987,444	651,326	205,049	21,379	3,865,198
Total liabilities and net assets	$ 3,674,406	$ 603,965	$ 4,278,371	$ 877,267	$ 284,583	$ (63,675)	$ 5,376,546

See accompanying report of independent auditors on supplementary information

Children's Medical Center and Subsidiaries
Consolidating Statement of Operations
for the Year Ended September 30, 2013
(In Thousands)

	Children's Hospital	Children's Medical Center	Obligated to the Payment of the Bonds	Physicians' Organization at Children's Hospital, Inc and Foundations	Other Subsidiaries	Eliminations	Children's Medical Center Consolidated
Revenues							
Patient services revenue net of contractual allowances and discounts	$ 946,000	$ -	$ 946,000	$ 492,796	$ -	$ (7,817)	$ 1,430,979
Provision for uncollectible accounts	(20,723)	-	(20,723)	(12,335)	-	-	(33,058)
Net patient services revenue	925,277	-	925,277	480,461	-	(7,817)	1,397,921
Research grants and contracts	185,898	-	185,898	-	-	(7,860)	178,038
Recovery of indirect costs on grants and contracts	71,780	-	71,780	-	-	(2,295)	69,485
Other operating revenue	47,833	4,483	52,316	-	9,997	11,967	74,280
Endowment income support for mission-related activities	24,220	-	24,220	-	-	-	24,220
Unrestricted contributions net of fund-raising expenses	9,972	-	9,972	-	-	(138)	9,834
Research revenue	-	-	-	41,405	-	(41,405)	-
Clinical and other revenue	-	-	-	28,370	-	(28,370)	-
Teaching administration and supervision revenue	-	-	-	8,858	-	(8,858)	-
Net assets released from restriction used for operations	51,761		51,761	9,448	-	(25,375)	35,834
Total revenues	1,316,741	4,483	1,321,224	568,542	9,997	(110,151)	1,789,612
Expenses							
Salaries and benefits	542,934	-	542,934	460,007	1,225	4,417	1,008,583
Supplies and other expenses	401,091	(365)	400,726	31,869	3,715	(39,528)	396,782
Direct research expenses of grants	185,898	-	185,898	-	-	(7,860)	178,038
Health Safety Net Assessment	7,895	-	7,895	-	-	-	7,895
Medical service expenses	-	-	-	20,629	-	(20,629)	-
Research expenses	-	-	-	24,943	-	(24,943)	-
Contributions	-	-	-	15,026	-	(15,026)	-
Depreciation and amortization	94,796	842	95,638	757	4,754	-	101,149
Interest and net interest rate swap cash flows	27,721	-	27,721	-	-	-	27,721
Total expenses	1,260,335	477	1,260,812	553,231	9,694	(103,569)	1,720,168
Gain (loss) from current operations	56,406	4,006	60,412	15,311	303	(6,582)	69,444
Changes in estimates of prior year third-party settlements and other estimates	14,742	-	14,742	(290)	-	-	14,452
Gain (loss) from operations	71,148	4,006	75,154	15,021	303	(6,582)	83,896
Nonoperating gains (losses)							
Income (loss) from investments	42,326	(41,111)	1,215	10,788	2,789	-	14,792
Net realized gain (loss) on investments	3,456	76,364	79,820	18,787	(34)	24,795	123,368
Unrealized gain on investments (classified as trading securities)	-	-	-	11,396	-	-	11,396
Increase in value of alternative investments	3,747	110,524	114,271	13,606	-	22,867	150,744
Recognition of unrealized losses on investments	(808)	(26,045)	(26,853)	-	-	(4,506)	(31,359)
Fundraising expenses on restricted contributions	(17,692)	-	(17,692)	-	-	-	(17,692)
Adjustment of interest rate swaps to fair value	55,515	-	55,515	-	-	-	55,515
Other non-operating losses	-	(8,394)	(8,394)	(57)	-	-	(8,451)
Total nonoperating gains	86,544	111,338	197,882	54,520	2,755	43,156	298,313
Excess of revenues over expenses	$ 157,692	$ 115,344	$ 273,036	$ 69,541	$ 3,058	$ 36,574	$ 382,209

See accompanying report of independent auditors on supplementary information

Children's Medical Center and Subsidiaries
Consolidating Statement of Operations
for the Year Ended September 30, 2012
(In Thousands)

	Children's Hospital	Children's Medical Center	Obligated to the Payment of the Bonds	Physicians' Organization at Children's Hospital, Inc and Foundations	Other Subsidiaries	Eliminations	Children's Medical Center Consolidated
Revenues							
Patient services revenue, net of contractual allowances and discounts	$ 941.552	$ -	$ 941.552	$ 502.193	$ -	$ (37.515)	$ 1,406.230
Provision for uncollectible accounts	(21.028)	-	(21.028)	(9.761)	-	-	(30.789)
Net patient services revenue	920.524	-	920.524	492.432	-	(37.515)	1,375.441
Research grants and contracts	167.136	-	167.136	-	17.203	(5.558)	178.781
Recovery of indirect costs on grants and contracts	64.671	-	64.671	-	6.429	(1.422)	69.678
Other operating revenue	29.956	5.290	35.246	-	22.807	7.421	65.474
Endowment income support for mission-related activities	26.590	-	26.590	-	-	-	26.590
Unrestricted contributions, net of fund-raising expenses	7.154	-	7.154	-	-	(195)	6.959
Research revenue	-	-	-	36.407	-	(36.407)	-
Clinical and other revenue	-	-	-	31.962	-	(31.962)	-
Teaching, administration, and supervision revenue	-	-	-	8.671	-	(8.671)	-
Net assets released from restriction used for operations	55.659		55.659	10.644	204	(20.657)	45.850
Total revenues	1,271.690	5.290	1,276.980	580.116	46.643	(134.966)	1,768.773
Expenses							
Salaries and benefits	564.728	-	564.728	428.868	5.826	(27.857)	971.565
Supplies and other expenses	379.090	(482)	378.608	31.448	16.850	(33.501)	393.405
Direct research expenses of grants	167.136	-	167.136	-	17.203	(5.558)	178.781
Health Safety Net Assessment	8.314	-	8.314	-	-	-	8.314
Medical service expenses	-	-	-	15.531	-	(15.531)	-
Research expenses	-	-	-	21.135	-	(21.135)	-
Contributions	-	-	-	27.301	-	(27.301)	-
Depreciation and amortization	90.618	762	91.380	811	5.710	-	97.901
Interest and net interest rate swap cash flows	28.543	-	28.543	-	50	-	28.593
Total expenses	1,238.429	280	1,238.709	525.094	45.639	(130.883)	1,678.559
Gain (loss) from current operations	33.261	5.010	38.271	55.022	1.004	(4.083)	90.214
Changes in estimates of prior year third-party settlements	10.118	-	10.118	(210)	-	-	9.908
Gain (loss) from operations	43.379	5.010	48.389	54.812	1.004	(4.083)	100.122
Nonoperating gains (losses)							
Income (loss) from investments	36.939	(43.668)	(6.729)	9.490	2.699	-	5.460
Net realized gain (loss) on investments	1.379	33.967	35.346	6.551	(65)	11.914	53.746
Unrealized gain on investments (classified as trading securities)	-	-	-	21.464	-	-	21.464
Increase in value of alternative investments	1.883	62.279	64.162	15.709	-	10.370	90.241
Recognition of unrealized losses on investments	(222)	(7.264)	(7.486)	-	-	(1.329)	(8.815)
Fundraising expenses on restricted contributions	(18.846)	-	(18.846)	-	-	-	(18.846)
Adjustment of interest rate swaps to fair value	(6.096)	-	(6.096)	-	-	-	(6.096)
Other non-operating losses	-	(7.388)	(7.388)	(463)	-	-	(7.851)
Total nonoperating gains	15.037	37.926	52.963	52.751	2.634	20.955	129.303
Excess of revenues over expenses	$ 58.416	$ 42.936	$ 101.352	$ 107.563	$ 3.638	$ 16.872	$ 229.425

See accompanying report of independent auditors on supplementary information

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