



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990

Return of Organization Exempt From Income Tax

2011

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

Open to Public Inspection

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

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable	C Name of organization ST BARNABAS HOSPITAL	D Employer identification number 13-1740122
<input type="checkbox"/> Address change	Doing Business As	E Telephone number (718) 960-9000
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 183RD STREET AND THIRD AVENUE	F Gross receipts \$ 330,950,100
<input type="checkbox"/> Initial return	Room/suite	
<input type="checkbox"/> Terminated		
<input type="checkbox"/> Amended return		
<input type="checkbox"/> Application pending	City or town, state or country, and ZIP + 4 BRONX, NY 10457	
	F Name and address of principal officer SCOTT COOPER MD THE PRESIDENT 183RD STREET AND THIRD AVENUE BRONX, NY 10457	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

J Website: ► www.stbarnabashospital.org

K Form of organization Corporation Trust Association Other ► L Year of formation 1866 M State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities PROVISION OF HEALTHCARE SEE DETAILS ON SCHEDULE O		
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets		
3 Number of voting members of the governing body (Part VI, line 1a)	3	20
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	19
5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,201
6 Total number of volunteers (estimate if necessary)	6	102
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	
8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9 Program service revenue (Part VIII, line 2g)	4,696,993	5,094,707
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	299,886,118	309,270,127
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,841,959	1,835,320
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,011,359	13,727,635
	309,436,429	329,927,789
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,564,480	2,531,075
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)	175,516,340	186,913,698
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	141,207,178	144,472,436
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	319,287,998	333,917,209
19 Revenue less expenses Subtract line 18 from line 12	-9,851,569	-3,989,420
20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21 Total liabilities (Part X, line 26)	389,488,266	382,288,907
22 Net assets or fund balances Subtract line 21 from line 20	213,219,588	220,614,479
	176,268,678	161,674,428

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 TODD GORLEWSKI SR VICE PRESIDENT / CFO Type or print name and title		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ►
	Preparer's taxpayer identification number (see instructions)		
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► ERNST & YOUNG US LLP 111 MONUMENT CIRCLE SUITE 2600 INDIANAPOLIS, IN 46204		
	EIN ►		
	Phone no ► (317) 681-7000		

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

ST BARNABAS HOSPITAL IS THE FLAGSHIP OF THE ST BARNABAS HOSPITAL HEALTHCARE NETWORK, A MAJOR HEALTHCARE SYSTEM SERVICING THE BRONX COMMUNITY ST BARNABAS TRACES ITS ORIGIN TO A HOME FOR INCURABLES FOUNDED IN THE BRONX IN 1866 TODAY, AS A HIGH-TECH, 461-BED ACUTE CARE HOSPITAL AND LEVEL I TRAUMA CENTER, ST BARNABAS RETAINS DEEP ROOTS IN THE COMMUNITY A NONSECTARIAN, NOT-FOR-PROFIT HOSPITAL, ST BARNABAS PROVIDES HIGH QUALITY INPATIENT, OUTPATIENT, AND EMERGENCY MEDICAL, MENTAL HEALTH, AND DENTAL SERVICES AT MULTIPLE LOCATIONS THROUGHOUT THE BOROUGH OF THE BRONX ST BARNABAS HOSPITAL IS DEDICATED TO PROVIDING COMPASSIONATE AND COMPREHENSIVE HEALTH CARE TO THE PEOPLE OF THE BRONX COMMUNITY, ASSURING THE SICK, INJURED AND DISABLED HAVE COMPLETE AND OPEN ACCESS TO THE HIGHEST QUALITY OF CARE, REGARDLESS OF AGE, SEX, SEXUAL PREFERENCE, RACE, COLOR, NATIONALITY, CREED, OR ABILITY TO PAY DURING 2011, THE HOSPITAL PROVIDED HEALTH CARE SERVICES TO 21,086 INPATIENTS AND 479,000 OUTPATIENT

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 and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 148,873,727 including grants of \$) (Revenue \$ 174,794,715)

ST BARNABAS HOSPITAL PROVIDED COMPASSIONATE AND COMPREHENSIVE HEALTH CARE SERVICES TO THE PEOPLE OF THE BRONX COMMUNITY IN THE CITY OF NEW YORK DURING 2011, THE HOSPITAL PROVIDED INPATIENT HEALTHCARE SERVICES TO 21,086 PATIENTS SEE SCHEDULE O FOR DETAILS

4b (Code) (Expenses \$ 110,756,401 including grants of \$ 2,500,000) (Revenue \$ 122,836,399)

DURING 2011, THE HOSPITAL PROVIDED 479,000 OUTPATIENT HEALTHCARE SERVICES TO PEOPLE IN THE NEIGHBORHOOD THESE SERVICES INCLUDED 98,468 EMERGENCY VISITS WITH 18,284 ADMISSIONS, 32,625 DIALYSIS TREATMENTS, 181,167 METHADONE MAINTENANCE CLINIC VISITS, 16,820 DENTAL VISITS, 5,855 AMBULATORY SURGERY PROCEDURES, 165,512 AMBULATORY CARE VISITS SEE SCHEDULE O FOR DETAILS

4c (Code) (Expenses \$ 13,231,432 including grants of \$) (Revenue \$ 16,032,415)

FORDHAM TREMONT COMMUNITY MENTAL HEALTH CENTER PROVIDES TREATMENT FOR SERIOUSLY AND PERSISTENTLY MENTALLY ILL ADULTS, SERIOUSLY EMOTIONALLY DISTURBED CHILDREN AND MENTALLY ILL CHEMICAL ABUSERS THE CENTER PROVIDED HEALTHCARE SERVICES TO 112,458 PATIENTS SEE SCHEDULE O FOR DETAILS

4d Other program services (Describe in Schedule O)

(Expenses \$ 343,152 including grants of \$ 31,075) (Revenue \$ 316,616)

4e Total program service expenses \$ 273,204,712

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

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.

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.

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.

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.

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.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.

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.

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.

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.

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.

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.

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.

14a Did the organization maintain an office, employees, or agents outside of the United States?

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, Part I.

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV.

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV.

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.

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.

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.

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements.

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10	Yes	
11a	Yes	
11b		No
11c		No
11d	Yes	
11e	Yes	
11f		No
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a	Yes	
20b	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input type="checkbox"/>	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	<input type="checkbox"/>	22	No	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input type="checkbox"/>	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 questions 24b-24d and complete Schedule K. If "No," go to line 25	<input type="checkbox"/>	24a	No	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	<input type="checkbox"/>	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	<input type="checkbox"/>	25b	No	
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	<input type="checkbox"/>	26	No	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	<input type="checkbox"/>	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)		28a	Yes	
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	<input type="checkbox"/>	28b	No	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	<input type="checkbox"/>	28c	Yes	
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 owner? If "Yes," complete Schedule L, Part IV	<input type="checkbox"/>	29	No	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		30	No	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		31	No	
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		32	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		33	Yes	
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	<input type="checkbox"/>	34	Yes	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<input type="checkbox"/>	35a	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?		35b	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	<input type="checkbox"/>	36	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	<input type="checkbox"/>	37	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	<input type="checkbox"/>	38	Yes	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O				

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	137
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,201
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	No
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?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
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?	9a	
9	Sponsoring organizations maintaining donor advised funds.	9b	
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter	10a	
a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter	11a	
a	Gross income from members or shareholders	11b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
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.	13a	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13b	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13c	
c	Enter the aggregate amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	20
b Enter the number of voting members included in line 1a, above, who are independent	1b	19
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6 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 the 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	No
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 NY

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

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. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 TODD GORLEWSKISENIOR VPC
 183RD STREET AND 3RD AVE
 BRONX, NY 10457
 (718) 960-9000

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

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

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

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 ►18

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
ST BARNABAS ANESTHESIA ASSOCIATES 10 COMMERCE DRIVE 2ND FLOOR NEW ROCHELLE, NY 10801	PHYSICIAN SERVICES	4,250,000
ST BARNABAS OBGYN PO BOX 26835 GPO NEW YORK, NY 10087	PHYSICIAN SERVICES	4,197,494
BRONX INTERNAL MEDICINE ASSOCIATES 4422 THIRD AVENUE BRONX, NY 10457	PHYSICIAN SERVICES	2,842,172
BRONX SURGICAL SERVICES PC 4422 THIRD AVENUE BRONX, NY 10457	PHYSICIAN SERVICES	2,713,267
BRONX PSYCHIATRICS SERVICES PC 4422 THIRD AVENUE BRONX, NY 10457	PHYSICIAN SERVICES	2,210,940

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 **►5**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	3,732,161				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,362,546				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f		5,094,707				
Program Service Revenue	Business Code						
			2a NET PATIENT SERVICE REVENUE	621110	278,104,111	278,104,111	
			b HIP SOUTHERN	621110	12,609,140	12,609,140	
			c FORDHAM TREMONT	621110	16,032,415	16,032,415	
			d SBH PC INCOME	900099	1,924,461	1,924,461	
			e SHARED SERVICES	900099	600,000	600,000	
	f All other program service revenue						
	g Total. Add lines 2a-2f		309,270,127				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		1,835,320			1,835,320	
	4 Income from investment of tax-exempt bond proceeds		0				
	5 Royalties		0				
	6a Gross rents	(I) Real					
	b Less rental expenses	2,780,244					
	c Rental income or (loss)	1,022,311					
	d Net rental income or (loss)	1,757,933				1,757,933	
	7a Gross amount from sales of assets other than inventory	(I) Securities					
b Less cost or other basis and sales expenses							
c Gain or (loss)							
d Net gain or (loss)		0					
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18							
b Less direct expenses	b						
c Net income or (loss) from fundraising events		0					
9a Gross income from gaming activities See Part IV, line 19							
b Less direct expenses	b						
c Net income or (loss) from gaming activities		0					
10a Gross sales of inventory, less returns and allowances							
b Less cost of goods sold	b						
c Net income or (loss) from sales of inventory		0					
Miscellaneous Revenue		Business Code					
11a EQUITY INCOME IN HF LLC		900099	3,896,720			3,896,720	
b ELECTRONIC HEALTH RECORDS		900099	4,393,402	4,393,402			
c VENDOR DISCOUNTS		900099	725,037			725,037	
d All other revenue			2,954,543	316,616		2,637,927	
e Total. Add lines 11a-11d			11,969,702				
12 Total revenue. See Instructions			329,927,789	313,980,145		10,852,937	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	2,531,075	2,531,075		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	5,626,361	4,332,298	1,294,063	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	131,594,514	101,327,776	30,266,738	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,868,395	6,058,664	1,809,731	
9 Other employee benefits	31,111,347	22,689,408	8,421,939	
10 Payroll taxes	10,713,081	8,249,072	2,464,009	
11 Fees for services (non-employees)				
a Management	31,541,459	31,541,459		
b Legal	927,348	714,058	213,290	
c Accounting	304,848		304,848	
d Lobbying	186,405		186,405	
e Professional fundraising See Part IV, line 17	0			
f Investment management fees	16,705,703	12,863,391	3,842,312	
g Other	0			
12 Advertising and promotion	46,243	35,607	10,636	
13 Office expenses	46,675,136	41,728,976	4,946,160	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	2,628,294	2,023,786	604,508	
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	399,632	307,717	91,915	
20 Interest	3,269,851	2,517,785	752,066	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	19,710,686	14,996,217	4,714,469	
23 Insurance	3,432,209	2,642,801	789,408	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a PROVISION FOR BAD DEBT	8,500,130	8,500,130		
b HIP CLAIMS EXPENSE	7,653,687	7,653,687		
c TEMPORARY SERVICES	2,490,805	2,490,805		
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	333,917,209	273,204,712	60,712,497	0
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	0	1 0
	2 Savings and temporary cash investments	9,583,701	2 10,060,737
	3 Pledges and grants receivable, net	0	3 0
	4 Accounts receivable, net	37,921,995	4 37,910,361
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5 0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	0	6 0
	7 Notes and loans receivable, net	0	7 0
	8 Inventories for sale or use	0	8 0
	9 Prepaid expenses and deferred charges	1,487,099	9 1,521,550
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	524,956,305	
	b Less accumulated depreciation	10a 10b	321,534,304
		200,487,025	10c 203,422,001
	11 Investments—publicly traded securities	69,720,352	11 56,133,415
	12 Investments—other securities See Part IV, line 11	0	12 0
	13 Investments—program-related See Part IV, line 11	0	13 0
	14 Intangible assets	0	14 0
	15 Other assets See Part IV, line 11	70,288,094	15 73,240,843
	16 Total assets. Add lines 1 through 15 (must equal line 34)	389,488,266	16 382,288,907
Liabilities	17 Accounts payable and accrued expenses	83,531,134	17 83,792,088
	18 Grants payable	0	18 0
	19 Deferred revenue	0	19 0
	20 Tax-exempt bond liabilities	0	20 0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21 0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22 0
	23 Secured mortgages and notes payable to unrelated third parties	78,536,361	23 74,396,167
	24 Unsecured notes and loans payable to unrelated third parties	0	24 0
	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	51,152,093	25 62,426,224
	26 Total liabilities. Add lines 17 through 25	213,219,588	26 220,614,479
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	155,365,426	27 142,459,961
	28 Temporarily restricted net assets	3,769,043	28 3,617,758
	29 Permanently restricted net assets	17,134,209	29 15,596,709
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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	176,268,678	33 161,674,428
	34 Total liabilities and net assets/fund balances	389,488,266	34 382,288,907

Part XI Reconciliation of Net AssetsCheck 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	329,927,789
2 Total expenses (must equal Part IX, column (A), line 25)	2	333,917,209
3 Revenue less expenses Subtract line 2 from line 1	3	-3,989,420
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	176,268,678
5 Other changes in net assets or fund balances (explain in Schedule O)	5	-10,604,830
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	161,674,428

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

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

2011

Open to Public
Inspection**SCHEDULE A**
(Form 990 or 990EZ)**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.

Department of the Treasury
Internal Revenue Service
Name of the organization
ST BARNABAS HOSPITAL

Employer identification number

13-1740122

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 **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

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

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

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f))	14
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	►
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	►
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	►

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 2011 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2010 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization	
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization	
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	

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

Facts And Circumstances Test

Explanation

SCHEDULE C

(Form 990 or 990-EZ)

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.

2011

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-E
- 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, line 35c (Proxy Tax), then

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

Name of the organization
ST BARNABAS HOSPITAL

Employer identification number

13-1740123

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 on behalf of or in opposition to candidates for public office 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

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			
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		
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-			
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?		<input type="checkbox"/> Yes	<input type="checkbox"/> 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	
			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?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		186,405
j Total lines 1c through 1i			186,405
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?		No	

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

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

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
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?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 11. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 11	OTHER ACTIVITIES	ST BARNABAS HOSPITAL HAS PAID MEMBERSHIP DUES TO GREATER NEW YORK HOSPITAL ASSOCIATION (GNYHA) AND HOSPITAL ASSOCIATION OF NEW YORK STATE (HANYS) IN 2011. GNYHA AND HANYS SPENT \$109,000 AND \$77,405, RESPECTIVELY, TO INFLUENCE LEGISLATION IN THE STATE OF NEW YORK

SCHEDULE D
(Form 990)**Supplemental Financial Statements****2011****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
 ► Attach to Form 990. ► See separate instructions.

Name of the organization
ST BARNABAS HOSPITAL**Employer identification number**

13-1740122

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

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

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

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

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

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

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

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

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

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

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

► \$ _____

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ► \$ _____

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

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

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

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

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

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

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	46,542,350	43,303,184	70,103,476	98,154,551	
b Contributions	3,090,256	32,650	35,550	43,226	
c Investment earnings or losses	290,316	4,524,514	4,757,241	-19,383,915	
d Grants or scholarships	0	0	0	0	
e Other expenditures for facilities and programs	11,848,481	1,276,766	31,506,001	8,634,988	
f Administrative expenses	24,621	41,232	87,083	105,509	
g End of year balance	38,049,820	46,542,350	43,303,183	70,073,365	

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

a Board designated or quasi-endowment ► 100 000 %

b Permanent endowment ►

c Term endowment ►

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

3a(i)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3a(ii)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

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

Part VI 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		12,814,890			12,814,890
b Buildings		284,141,602	153,051,471		131,090,131
c Leasehold improvements		11,801,556	9,502,599		2,298,957
d Equipment		208,959,281	158,980,234		49,979,047
e Other		7,238,976		0	7,238,976
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					203,422,001

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		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12.)		

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

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

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

(a) Description	(b) Book value
See Additional Data Table	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	73,240,843

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
MALPRACTICE LIABILITY EST	19,299,329
ACCRUED POSTRETIREMENT BENEFIT	1,870,299
ACCRUED PENSION COST NET	35,529,861
OTHER LONG TERM LIABILITIES	5,726,735
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.)	62,426,224

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	329,927,789
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	333,917,209
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-3,989,420
4	Net unrealized gains (losses) on investments	4	-144,137
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	-144,137
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-4,133,557

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

1	Total revenue, gains, and other support per audited financial statements	1	329,783,652
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-144,137
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	-144,137
3	Subtract line 2e from line 1	3	329,927,789
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	329,927,789

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

1	Total expenses and losses per audited financial statements	1	333,917,209
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	333,917,209
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	333,917,209

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D, PART V, LINE 4	INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS	CONSISTENT WITH INDUSTRY PRACTICE, MANAGEMENT AND THE HOSPITAL'S BOARD OF TRUSTEES FURTHER UNDERSTAND THAT EXPENDITURES FROM A DONOR-RESTRICTED FUND IS LIMITED TO THE USES AND PURPOSES FOR WHICH THE ENDOWMENT FUND IS ESTABLISHED AND THE USE OF NET APPRECIATION, REALIZED GAINS (WITH RESPECT TO ALL ASSETS) AND UNREALIZED GAINS (WITH RESPECT ONLY TO READILY MARKETABLE ASSETS) IS LIMITED TO THE EXTENT THAT THE FAIR VALUE OF A DONOR-RESTRICTED FUND EXCEEDS THE HISTORIC DOLLAR VALUE OF THE FUND (UNLESS THE APPLICABLE GIFT INSTRUMENT INDICATES THAT NET APPRECIATION SHALL NOT BE EXPENDED), TO THE EXTENT THAT SUCH EXPENDITURE IS PRUDENT, CONSIDERING THE LONG AND SHORT TERM NEEDS OF THE HOSPITAL IN CARRYING OUT ITS PURPOSES, ITS PRESENT AND ANTICIPATED FINANCIAL REQUIREMENTS, EXPECTED TOTAL RETURN ON ITS INVESTMENTS AND GENERAL ECONOMIC CONDITIONS

Additional Data

Software ID:
Software Version:
EIN: 13-1740122
Name: ST BARNABAS HOSPITAL

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
DUE FROM NYC AND OTHER PAYORS	1,100,675
FUNDS HELD IN TRUST BY OTHERS	17,891,880
GRANT RECEIVABLE	1,009,827
DUE FROM RELATED PARTIES	1,223,629
MEDICARE/MEDICAID RECEIVABLE	33,228
HIP & MISC RECEIVABLES	1,141,911
DUE FROM PAYOR REIMB PROGRAM	19,963,535
DUE FROM UCHC	9,886,802
DUE FROM AFFILIATES	393,271
OTHER	20,596,085

2011

Open to Public
InspectionSCHEDULE 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.Name of the organization
ST BARNABAS HOSPITALEmployer identification number
13-1740122

Part I Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? If "No," skip to question 6a

	Yes	No
1a	Yes	
1b	Yes	

2 If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals

Applied uniformly to all hospitals Applied uniformly to most hospitals
 Generally tailored to individual hospitals

3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year

a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

100% 150% 200% Other 300. %

b Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

200% 250% 300% 350% 400% Other %

c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4 Did the organization's policy provide free or discounted care to the "medically indigent"?

4	Yes	
5a	Yes	
5b	Yes	

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

5a	Yes	
5b	Yes	

b If "Yes," did the organization's charity care expenses exceed the budgeted amount?

5b	Yes	
5c		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 eligible for free or discounted care?

5c		No
6a	Yes	
6b	Yes	

6a Did the organization prepare a community benefit report during the tax year?

6a	Yes	
6b	Yes	

6b If "Yes," did the organization make it available to the public?
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			19,170,351	13,465,435	5,704,916	1 790 %
b Medicaid (from Worksheet 3, column a)			145,938,808	133,433,745	12,505,062	3 920 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d Total Charity Care and Means-Tested Government Programs			165,109,159	146,899,180	18,209,978	5 710 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			0	0	0	0 %
f Health professions education (from Worksheet 5)			45,961,059	20,332,731	25,628,328	8 030 %
g Subsidized health services (from Worksheet 6)			38,275,273	24,879,604	13,395,669	4 200 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,500,000		2,500,000	0 750 %
j Total Other Benefits			86,736,332	45,212,335	41,523,997	12 980 %
k Total . Add lines 7d and 7j			251,845,491	192,111,515	59,733,975	18 690 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices
Section A. Bad Debt Expense

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?

2 Enter the amount of the organization's bad debt expense

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit

	Yes	No
1	Yes	
2	10,400,000	
3		
4		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)

6 Enter Medicare allowable costs of care relating to payments on line 5

7 Subtract line 6 from line 5. This is the surplus or (shortfall)

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?

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

9a	Yes
9b	Yes

Part IV Management Companies and Joint Ventures (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					
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)

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

Name and address

Other (Describe)

Part V Facility Information (continued)**Section B. Facility Policies and Practices.**

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

ST BARNABAS HOSPITAL

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____ 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1	
If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
d <input type="checkbox"/> Participation in community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes
If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> %		
If "No," explain in Part VI the criteria the hospital facility used		

Part V Facility Information (continued)

	Yes	No
10 Used FPG to determine eligibility for providing discounted care?	10 Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used		
11 Explained the basis for calculating amounts charged to patients?	11 Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)		
a <input checked="" type="checkbox"/> Income level		
b <input type="checkbox"/> Asset level		
c <input checked="" type="checkbox"/> Medical indigency		
d <input type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	12 Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13 Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site		
b <input type="checkbox"/> The policy was attached to all billing invoices		
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available upon request		
g <input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections		
14 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?	14 Yes	
15 Check all of the following collection 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 <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments or arrests		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 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?	16 No	
If "Yes," check all actions in which the hospital facility or a third party engaged		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)		
a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission		
b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued)**Policy Relating to Emergency Medical Care**

18 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?

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)

	Yes	No
18	Yes	

Individuals Eligible for Financial Assistance

19 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)

20		No
21		No

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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?

If "Yes," explain in Part VI

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?

If "Yes," explain in Part VI

Part V Facility Information (continued)**Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size from largest to smallest)How many non-hospital facilities did the organization operate during the tax year? 7

Name and address		Type of Facility (Describe)
1	AMBULATORY CARE CLINIC 4487 3RD AVENUE BRONX, NY 10457	HOSPITAL EXTENSION CLINIC
2	BARNABAS HOSPITAL METHADONE 4535-39 THIRD AVENUE BRONX, NY 10457	HOSPITAL EXTENSION CLINIC
3	FORDHAM -TREMONT COMM MENTAL HEALTH CTR 2250 RYER AVENUE BRONX, NY 10458	HOSPITAL EXTENSION CLINIC
4	FORDHAM-TREMONT COMM MENTAL HEALTH CTR 2021 GRAND CONCOURSE BRONX, NY 10453	HOSPITAL EXTENSION CLINIC
5	FORDHAM-TREMONT COMM MENTAL HEALTH CTR 260 EAST 188TH STREET BRONX, NY 10458	HOSPITAL EXTENSION CLINIC
6	FORDHAM-TREMONT COMM MENTAL HEALTH CTR 326 EAST 149TH STREET BRONX, NY 10451	HOSPITAL EXTENSION CLINIC
7	HEMO DIALYSIS CLINIC 4443 3RD AVENUE BRONX, NY 10457	HOSPITAL EXTENSION CLINIC
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, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
SCHEDULE H, SUPPLEMENTAL INFORMATION		<p>PART I, LINE 3C N/A - THE HOSPITAL USES FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY PART I, LINE 6A THE HOSPITAL PREPARES AN ANNUAL COMMUNITY BENEFIT REPORT WHICH IS ALWAYS AVAILABLE TO THE PUBLIC PART I, LINE 7 COLUMN F - \$8,500,130 LINE 7 - PERCENT OF TOTAL EXPENSE WAS CALCULATED AFTER DIVIDING THE NET COMMUNITY BENEFIT EXPENSE BY THE TOTAL EXPENSES OF THE ORGANIZATION FROM FORM 990, PART IX, LINE 25, COLUMN A PART I, LINE 7G SUBSIDIZED HEALTH SERVICES ARE IDENTIFIED AS THOSE SERVICES WHICH ARE ESSENTIAL TO THE COMMUNITY THE HOSPITAL IS INCURRING LOSSES WHILE PROVIDING THESE SERVICES TO THE COMMUNITY COST OF SUBSIDIZED HEALTH SERVICES WAS CALCULATED BY APPLYING HOSPITAL RATIO OF COST TO CHARGE TO THE GROSS CHARGES FOR SUBSIDIZED SERVICES AND THE COST WAS OFFSET BY THE REVENUE RECEIVED FROM THE THIRD PAYERS NET COMMUNITY BENEFIT EXPENSE WAS CALCULATED AFTER REDUCING THE COST FOR BAD DEBT EXPENSES, COST FOR MEDICAID PROGRAMS AND CHARITY CARE COST ASSOCIATED WITH THE SUBSIDIZED HEALTH SERVICES PART III, LINE 4 BAD DEBT METHODOLOGY ACCOUNT BALANCES ARE WRITTEN OFF AGAINST THE ALLOWANCE WHEN MANAGEMENT FEELS IT IS PROBABLE THE RECEIVABLE WILL NOT BE RECOVERED HISTORICAL COLLECTION AND PAYER REIMBURSEMENT EXPERIENCE IS AN INTEGRAL PART OF THE ESTIMATION PROCESS RELATED TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN ADDITION, THE HOSPITAL ASSESSES THE CURRENT STATE OF ITS BILLING FUNCTIONS IN ORDER TO IDENTIFY ANY KNOWN COLLECTION OR REIMBURSEMENT ISSUES AND ASSESS THE IMPACT, IF ANY, ON ALLOWANCE ESTIMATES THE HOSPITAL BELIEVES THAT THE COLLECTABILITY OF ITS RECEIVABLES IS DIRECTLY LINKED TO THE QUALITY OF ITS BILLING PROCESSES, MOST NOTABLY THOSE RELATED TO OBTAINING THE CORRECT INFORMATION IN ORDER TO BILL EFFECTIVELY FOR THE SERVICES IT PROVIDES REVISIONS TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS ESTIMATES ARE RECORDED AS AN ADJUSTMENT TO THE PROVISION FOR BAD DEBTS COST OF BAD DEBT EXPENSE WAS CALCULATED BY APPLYING THE RATIO COST OF CHARGE TO THE BAD DEBT EXPENSES FOOTNOTE IS IN AFS PAGE 9 NET PATIENT REVENUE, ACCOUNTS RECEIVABLE, ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS PART III, LINE 8 ST BARNABAS HOSPITAL DOES NOT REPORT ANY SHORTFALL ON LINE 7 DUE TO THE FACT THAT THE HOSPITAL RECEIVES SIGNIFICANT AMOUNT OF MONIES FROM DISPROPORTIONATED SHARE AND GRADUATE MEDICAL EDUCATION THE HOSPITAL SERVES A LARGE INDIGENT POPULATION AND HAS AN EXTENSIVE TEACHING PROGRAM CONSISTING OF 270 RESIDENTS AND INCURS LOSSES IN PROVIDING CARE TO THE INDIGENT POPULATIONS AND TRAINING HEALTHCARE PROFESSIONALS PART III, LINE 9B THOSE PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE SUBJECT TO THE NORMAL COLLECTION PROCEDURES FOR ALL PATIENTS - IF PATIENT DOES NOT HAVE THE MEANS OF PAYING AND WAS NOT DEEMED MEDICAID ELIGIBLE THE HOSPITAL PROVIDES CHARITY CARE BASED ON SLIDING SCALE OPTIONS - PROPER DOCUMENTATION SHOULD BE RECEIVED WITHIN 5 TO 7 BUSINESS DAYS, OTHERWISE, THE COLLECTION ASPECT APPLIES - LITERATURE WILL ALSO BE SENT TO THE PATIENT PERTAINING TO THEIR SITUATION ALL ACTIONS TAKEN ON AN ACCOUNT SHOULD BE DOCUMENTED IN THE HOSPITAL BUSINESS OFFICE WITHOUT ANY HESITATION</p>

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, SUPPLEMENTAL INFORMATION		<p>STATE FILING OF COMMUNITY BENEFIT REPORT THE ST BARNABAS HOSPITAL COMMUNITY SERVICE PLAN WORKGROUP CONDUCTED ASSESSMENTS OF ITS CONSTITUENCIES WHEN CONSIDERING BOTH SHORT AND LONG TERM NEEDS THIS WAS DONE UTILIZING A VARIETY OF GOVERNMENT AND PRIVATE SOURCES, INCLUDIN G NYS PERFORMANCE QUALITY INDICATORS, NYC COMMUNITY PROFILES FOR 2006, THE 2000 U S CENSUS INFORMATION AND NYC DEPARTMENT OF CITY PLANNING REPORTS AS WELL AS HEALTH REPORTS AND REGULAR INTERNAL HOSPITAL STATISTICAL ABSTRACTS THE ANALYSIS OF NEED FOCUSED ON THE IMMEDIATE GEOGRAPHIC SERVICE AREA SURROUNDING THE HOSPITAL, ITS AFFILIATED LOCATIONS AND OUR DIVERSE PATIENT POPULATION LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE ST BARNABAS IS COMMITTED TO ENSURING THAT EVERYONE VISITING THE FACILITY IS AWARE OF ITS FINANCIAL AID POLICY AND FINANCIAL AID PROGRAM FOR UNINSURED AND UNDERINSURED PATIENTS IN THIS VENUE, THE HOSPITAL PUBLISHES A FINANCIAL AID BROCHURE, ACCESS BEST CARE, IN BOTH ENGLISH AND SPANISH, THE PREDOMINANT LANGUAGES OF THE HOSPITAL COMMUNITY IN ADDITION, HOSPITAL FINANCIAL AID DOCUMENTS AND APPLICATIONS ARE AVAILABLE IN FIVE LANGUAGES (ENGLISH, SPANISH, ALBANIAN, FRENCH AND CHINESE) COLLECTION AGENCY VENDORS ARE REQUIRED TO ACKNOWLEDGE IN WRITING THEIR AWARENESS AND COMPLIANCE WITH HOSPITAL COLLECTION POLICIES AS THEY REPRESENT AN EXTENSION OF THE HOSPITAL FINANCE OFFICE LINE 4 - COMMUNITY INFORMATION HOSPITAL SERVICE AREA SUBSTANTIAL INEQUALITIES REMAIN AMONG NEW YORKERS OF DIFFERENT ECONOMIC AND RACIAL/ETHNIC GROUPS POOR NEW YORKERS, AS WELL AS AFRICAN-AMERICAN AND HISPANIC NEW YORKERS, BEAR A DISPROPORTIONATE BURDEN OF ILLNESS AND PREMATURE DEATH POOR HEALTH IS CONCENTRATED IN CERTAIN NEW YORK NEIGHBORHOODS FACTORS ASSOCIATED WITH POOR HEALTH, SUCH AS POOR ACCESS TO MEDICAL CARE, UNHEALTHY BEHAVIORS, AND POOR LIVING CONDITIONS, ARE MORE COMMON AMONG CERTAIN ECONOMIC AND RACIAL/ETHNIC GROUPS THE BRONX IS RACIALLY AND ETHNICALLY DIVERSE ACCORDING TO THE 2000 CENSUS, 48% OF ALL BRONXITES ARE HISPANIC, 31% ARE BLACK OR AFRICAN AMERICAN, 14.5% ARE WHITE AND 5% "OTHER", AND 32% OF ALL BRONX CITIZENS ARE FOREIGN BORN LOW SOCIO-ECONOMIC STATUS AMONG BRONX RESIDENTS HAS SEVERE HEALTH IMPLICATIONS THE 2005 AMERICAN COMMUNITY SURVEY REPORTS THAT 29% OF BRONXITES LIVE BELOW THE POVERTY LEVEL A "TAKE CARE NEW YORK" REPORT ISSUED BY THE NYC DEPARTMENT OF HEALTH AND MENTAL HYGIENE ADVISES THAT BRONX RESIDENTS ARE TWICE AS LIKELY TO LACK A "MEDICAL HOME" WHEN COMPARED TO OTHERS IN NYC THE BRONX HAS THE HIGHEST AIDS DEATH RATE OF ALL FIVE BOROUGHS AND SUFFERS EPIDEMIC RATES OF DIABETES, PEDIATRIC ASTHMA, OBESITY AND TEEN PREGNANCY AT THE TIME OF THIS WRITING, THE BRONX HAS THE HIGHEST UNEMPLOYMENT RATE OF THE 5 NYC COUNTIES ST BARNABAS HOSPITAL IS A CENSUS PARTNER TO THE 2011 US CENSUS RECOGNIZING THE ROLE OF IMMIGRATION AND THE CHANGING DEMOGRAPHICS OF THE BRONX, WHICH IS EVIDENT IN THE MULTITUDE OF LANGUAGES SPOKEN BY HOSPITAL PATIENTS AT ANY TIME LINE 5 - PROMOTION OF COMMUNITY HEALTH IN KEEPING WITH OUR STATED MISSION, ST BARNABAS HOSPITAL STRIVES TO BE AN ACTIVE MEMBER OF THE COMMUNITY THE HOSPITAL PROVIDES SUPPORT TO THE LOCAL ECONOMY AS A HEALTH RESOURCE AND CONTRIBUTES MIGHTILY TO THE SOCIAL AND CULTURAL LIFE OF THE COMMUNITIES IT HAS SERVED FOR THE PAST 150 YEARS LINE 6 - AFFILIATED HEALTHCARE SYSTEM IN KEEPING WITH OUR BELIEF THAT HEALTH PROMOTION AND EDUCATION ARE ESSENTIAL TO THE MISSION OF ST BARNABAS, THE HOSPITAL HAS DEVELOPED AND CURRENTLY MAINTAINS A NUMBER OF PROGRAMS AND INITIATIVES IN THESE AREAS IN ADDITION, ST BARNABAS ACTIVELY PARTICIPATES AS A MEMBER OF A NUMBER OF HEALTH CARE ORGANIZATIONS IN THE BOROUGH, PRINCIPAL AMONG THEM ARE THE FOLLOWING BRONX HEALTH LINK ST BARNABAS HOSPITAL IS A CHARTER MEMBER OF THE BRONX HEALTH LINK, A UNIQUE PARTNERSHIP CREATED BY THE BOROUGH'S FOUR MAJOR HEALTH CARE INSTITUTIONS AND THE BRONX BOROUGH PRESIDENT'S OFFICE THE BRONX HEALTH LINK WORKS CLOSELY WITH MORE THAN 140 COMMUNITY ORGANIZATIONS TO IDENTIFY HEALTH CONCERNS AND TO DEVELOP PROGRAMS TO MEET THESE NEEDS, ESPECIALLY THOSE OF RESIDENTS IN MEDICALLY UNDERSERVED COMMUNITIES BRONX DISTRICT PUBLIC HEALTH OFFICE'S HEALTH SUMMIT THE DIRECTOR OF COMMUNITY AFFAIRS OF ST BARNABAS SERVES AS THE CHAIR OF THE HEALTH & HUMAN SERVICES COMMITTEE OF COMMUNITY PLANNING BOARD #6, AND, IN THIS CAPACITY, CONVENES MONTHLY MEETINGS AT WHICH MEMBERS DISCUSS ALL ASPECTS OF HEALTH CARE DELIVERY IN THE DISTRICT AND MAKE RECOMMENDATIONS FOR IMPROVEMENT IN RENDERING CARE THE DIRECTOR REPRESENTS THE HOSPITAL AT HEALTH SUMMITS SPONSORED BY THE BRONX DISTRICT HEALTH OFFICE, A SATELLITE OF THE NYC DEPARTMENT OF HEALTH & MENTAL HYGIENE REPRESENTATIVES OF THE SIX COMMUNITY PLANNING BOARDS SERVING THE SOUTH BRONX ATTEND THESE IMPORTANT SUMMITS TO DISCUSS THE HEALTH STATUS OF THEIR RESPECTIVE DISTRICTS AND FOCUS ON HEALTH PRIORITIES AND MEASURES TO BE TAKEN TO ADDRESS THEM COMMUNITY SERVICE PLAN EACH YEAR, ST BARNABAS</p>

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, SUPPLEMENTAL INFORMATION		HOSPITAL, ALONG WITH EVERY NOT-FOR-PROFIT HOSPITAL IN NEW YORK STATE, PREPARES AND SUBMITS A COMMUNITY SERVICE PLAN TO THE NEW YORK STATE DEPARTMENT OF HEALTH. THESE PLANS INCLUDE THE HOSPITAL'S MISSION STATEMENT, A COMPREHENSIVE ASSESSMENT OF THE HEALTH NEEDS AND SERVICE PRIORITIES, AND A STRATEGIC PLAN INDICATING THE HOSPITAL'S COMMITMENT TO ADDRESSING THESE PRIORITIES. ST. BARNABAS HAS FORMED A COMMUNITY SERVICE WORKGROUP, REPRESENTATIVE OF ALL OF THE MEMBERS OF THE HOSPITAL'S SERVICE DELIVERY NETWORK, IN THE PREPARATION OF THIS DOCUMENT. THE HEALTH AND WELL-BEING OF THE COMMUNITY ARE OF PARAMOUNT IMPORTANCE TO ST. BARNABAS HOSPITAL. OUR FOCUS HAS BEEN ON REFORMING AND RESHAPING THE CURRENT HEALTH CARE DELIVERY SYSTEM IN A CONCERTED EFFORT TO MAKE IT MORE RESPONSIVE TO THE EVER-CHANGING AND EVER-INCREASING HEALTH AND HUMAN SERVICE NEEDS OF HEALTH CARE CONSUMERS. OUR EFFORTS IN THIS REGARD WOULD NOT ENJOY THE SUCCESS THAT THEY HAVE WITHOUT THE INVALUABLE EXPERTISE, INSPIRATION AND COMMITMENT OF THOSE COMMUNITY ORGANIZATIONS THAT PARTNER WITH ST. BARNABAS TO BRING OUR PLANS TO FRUITION. LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT NEW YORK STATE

**Schedule I
(Form 990)**

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

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
ST BARNABAS HOSPITAL

Employer identification number

Part I General Information on Grants and Assistance

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

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

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

(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
(1) UNION COMMUNITY HEALTH CENTER INC 260 EAST 188 STREET BRONX, NY 10458	13-4074478	501(C)(3)		2,500,000	FMV	SHARED SVCS	GENERAL SUPPORT
(2) UNITED HOSPITAL 350 FIFTH AVENUE NEW YORK, NY 10118	13-1562656	501(C)(3)	12,000		CASH		GENERAL SUPPORT

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

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

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

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	ALL OPERATIONS ARE CLOSELY MANAGED BY THE PROGRAM MANAGERS AND VARIOUS DEPARTMENTS WITHIN FINANCE AND ADMINISTRATION (I E , CFO, CONTROLLER'S DIVISION, GRANTS AND CONTRACTS, LEGAL SERVICES AND ADMINISTRATIVE SERVICES) THERE IS REGULAR MONTHLY MONITORING BY THESE MANAGERS MID-YEAR BUDGET REVIEWS ARE PERFORMED BY SENIOR MANAGEMENT TO REVIEW THE ACTIVITIES OF ALL PROGRAMS AND ADJUST TO CHANGES IN BUDGET ASSUMPTIONS QUARTERLY REPORTS ARE SUBMITTED TO THE SPONSOR PER CONTRACT OR GRANT REQUIREMENTS

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2011**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

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.

Name of the organization
ST BARNABAS HOSPITAL**Employer identification number**

13-1740122

Part I Questions Regarding Compensation

Yes No

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> 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 the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> 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?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

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?

b Any related organization?

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?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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, columns (D) and (E) for that individual.

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Compensation Information		OFFICERS' COMPENSATION ST BARNABAS HOSPITAL SHARES PROFESSIONAL, PERSONNEL AND OTHER ANCILLARY SERVICES WITH ITS RELATED ENTITIES FOR NORMAL BUSINESS OPERATIONS TOTAL COMPENSATION FOR OFFICERS DISCLOSED IN SCHEDULE J IS PAID BY ST BARNABAS HOSPITAL HOWEVER, SALARY EXPENSES ARE ALLOCATED TO RELATED ORGANIZATION ST BARNABAS NURSING HOME INC (SBNH) BASED ON THE EMPLOYEE'S TIME DEVOTED TO THE ORGANIZATION THE ALLOCATED COMPENSATION IS TREATED AS IF PAID DIRECTLY BY ST BARNABAS NURSING HOME AND WAS REPORTED ON FORM 990 OF SBNH FOR TAX YEAR 2011 PART I, LINE 3 COMPENSATION COMMITTEE OF THE BOARD CONDUCTS AN ANNUAL REVIEW OF PRESIDENT/CEO COMPENSATION AS PART OF THIS REVIEW, THE COMMITTEE REFERENCES AVAILABLE MARKET DATA FOR COMPARABLE POSITIONS AND INTERNAL EQUITY CONSIDERATIONS, AND IT UTILIZES AN ANALYSIS OF CEO SALARIES PREPARED BY SULLIVAN COTTER, AN INDEPENDENT EXTERNAL ADVISOR, USING INDUSTRY BENCHMARKING DATA THE REVIEW PROCESS COVERS ALL OFFICERS, INCLUDING PRESIDENT/CEO ST BARNABAS HOSPITAL SHARES PROFESSIONAL, PERSONNEL AND OTHER ANCILLARY SERVICES WITH ITS RELATED ENTITIES FOR NORMAL BUSINESS OPERATIONS TOTAL COMPENSATION FOR OFFICERS DISCLOSED IN SCHEDULE J IS PAID BY ST BARNABAS HOSPITAL HOWEVER, SALARY EXPENSE IS ALLOCATED TO RELATED ORGANIZATION ST BARNABAS NURSING HOME, INC BASED ON THE EMPLOYEE'S TIME DEVOTED TO THE ORGANIZATION THE ALLOCATED COMPENSATION IS TREATED AS IF PAID DIRECTLY BY ST BARNABAS NURSING HOME AND WAS REPORTED ON FORM 990 OF SBNH FOR TAX YEAR 2010

Software ID:
Software Version:
EIN: 13-1740122
Name: ST BARNABAS HOSPITAL

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				
SCOTT COOPER MD	(i) 713,225 (ii) 0	0	0 37,538	546 30	12,219 643	725,990 38,211	0 0
LEONARD WALSH	(i) 484,744 (ii) 0	0	0 25,313	484 62	10,843 217	496,071 25,592	0 0
NOAH CALDWELL	(i) 450,564 (ii) 0	0	0 9,195	3,045 62	10,844 217	464,453 9,474	0 0
PATRICIA S BELAIR	(i) 295,716 (ii) 0	0	0 0	2,796 0	9,981 0	308,493 0	0 0
CATHERINE GRAHAM	(i) 231,131 (ii) 0	0	0 25,681	3,418 311	9,297 1,033	243,846 27,025	0 0
KEITH D WOLF	(i) 282,639 (ii) 0	0	0 31,404	546 61	8,121 902	291,306 32,367	0 0
JERRY R VALENTINE MD	(i) 468,568 (ii) 0	0	0 0	607 0	9,916 0	479,091 0	0 0
PATRICIA CUNNINGHAM	(i) 201,117 (ii) 0	0	0 10,585	2,952 155	9,061 477	213,130 11,217	0 0
JOHN DIGIROLOMO	(i) 190,400 (ii) 0	0	0 0	607 0	9,440 0	200,447 0	0 0
MARTHA SULLIVAN	(i) 166,181 (ii) 0	0	0 0	607 0	9,396 0	176,184 0	0 0
TODD GORLEWSKI	(i) 262,176 (ii) 0	25,000 0	0 32,992	577 30	8,589 553	296,342 33,575	0 0
DAVID PERLSTEIN	(i) 314,060 (ii) 0	30,000 0	0 0	607 0	9,361 0	354,028 0	0 0
JITENDRA BARMECHA	(i) 296,926 (ii) 0	36,900 0	0 0	607 0	9,195 0	343,628 0	0 0
TAMARA ERLIKH	(i) 187,611 (ii) 0	48,000 0	0 0	2,077 0	8,550 0	246,238 0	0 0
BRAULIO ARISMENDY CARRERO	(i) 148,191 (ii) 0	92,956 0	0 0	2,077 0	8,571 0	251,795 0	0 0
KAREN J GREER	(i) 171,715 (ii) 0	57,250 0	0 0	577 0	8,226 0	237,768 0	0 0
DORA RESEBERG	(i) 245,134 (ii) 0	0 0	0 0	577 0	9,058 0	254,769 0	0 0
BHAWESH PATEL	(i) 172,157 (ii) 0	54,000 0	0 0	577 0	8,983 0	235,717 0	0 0

Schedule L

Transactions with Interested Persons

OMB No 1545-0047

2011

Department of the Treasury
Internal Revenue Service

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

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

**Open to Public
Inspection**

Name of the organization

ST BARNABAS HOSPITAL

Employer identification number

13-174012

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.

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

Part II Loans to and/or From Interested Persons.

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

Part III Grants or Assistance Benefitting Interested Persons.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) BRONX PARK PULMONARY MEDICINE	SERVICE PROVIDER	347,358	SEE SCHEDULE L, PART V		No
(2) STROOCK STROOCK AND LAVAN LLP	LEGAL SERVICE PROVIDER	145,704	SEE SCHEDULE L, PART V		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
SCHEDULE L, PART IV, LINE 1	BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	1) DR SCOTT COOPER IS A PARTNER OF BRONX PARK PULMONARY MEDICINE DURING 2011, DR SCOTT COOPER WAS NOT PAID BY BRONX PARK PULMONARY MEDICINE FOR SALARY OR PENSION BENEFIT PLAN HOWEVER, BRONX PARK PULMONARY MEDICINE PAID HEALTH AND DISABILITY INSURANCE PLAN FOR DR SCOTT COOPER DURING 2011 IN ADDITION, BUSINESS-RELATED EXPENSES, SUCH AS GAS AND PARKING FEES WERE PAID FOR DR SCOTT COOPER DURING 2011 ST BARNABAS PAID \$347,358 FOR SERVICES PROVIDED BY BRONX PARK PULMONARY MEDICINE DURING 2011
SCHEDULE L, PART IV, LINE 2	BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	2) STROOCK STROOCK AND LAVAN, LLP, 180 MAIDEN LANE, NEW YORK, NY 10038, LAW FIRM, ASSISTS ST BARNABAS HOSPITAL WITH CONSULTING WORK RELATED TO THE GARAGE CONSTRUCTION CONTRACT LOCATED 4422 THIRD AVENUE, BRONX, NY 10457, OTHER REAL PROPERTIES ISSUES, CIR (COMMITTEE FOR INTERN RESIDENT) LITIGATION, AND UNION HOSPITAL REZONING THE HOSPITAL HAS PAID STROOCK STROOCK AND LAVAN, LLP \$145,704 FOR LEGAL SERVICES WHICH THE HOSPITAL REPORTED IN FORM 1099 CHARLES MOERDLER, ESQ, BOARD MEMBER, IS A PARTNER OF THIS LAW FIRM CHARLES MOERDLER RECEIVES NO COMPENSATION FOR ANY HOURS HE SPENDS ON THE UNION HOSPITAL REDEVELOPMENT OR OTHER HOSPITAL ISSUES ANY TIME HE USES IS VOLUNTARY IN CONJUNCTION WITH HIS ROLE AS BOARD TRUSTEE OTHER PARTNERS AND STAFF THAT PROVIDE LEGAL SERVICES FROM STROOCK, BILL FOR THEIR SERVICES ACCORDINGLY AND ALL LEGAL INVOICES ARE REVIEWED BY HOSPITAL'S IN-HOUSE COUNSEL AND FINANCE CHARLES MOERDLER DID NOT PROVIDE BILLABLE LEGAL SERVICES FOR THE HOSPITAL

SCHEDULE O
(Form 990 or 990-EZ)

2011

Open to Public
Inspection

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.Department of the Treasury
Internal Revenue ServiceName of the organization
ST BARNABAS HOSPITALEmployer identification number
13-1740122

Identifier	Return Reference	Explanation
FORM 990 SUPPLEMENTAL INFORMATION		FORM 990, PART III, LINE 4D OTHER PROGRAM SERVICE ACCOMPLISHMENT ST BARNABAS HOSPITAL ALSO PROVIDED VARIOUS OTHER PROGRAMS TO SUPPORT THE HOSPITAL'S EXEMPT PURPOSE, SUCH AS FINANCIAL AID PROGRAMS AND HEALTH AND EDUCATION PROMOTION PROGRAMS AND VARIOUS COMMUNITY OUTREACH ACTIVITIES FORM 990, PART VI, LINE 1 EXECUTIVE COMMITTEE THE EXECUTIVE COMMITTEE CONSISTS ONLY OF MEMBERS OF THE GOVERNING BODY IT IS AUTHORIZED TO ACT ON BEHALF OF THE CORPORATION BETWEEN MEETINGS OF THE BOARD AND TO TAKE ANY ACTION OTHER THAN THOSE ITEMS SPECIFICALLY PROHIBITED BY NEW YORK LAW FORM 990, PART VI, LINE 6 MEMBERS OF THE ORGANIZATION THE ORGANIZATION HAS A SINGLE CORPORATE MEMBER, ST. BARNABAS COMMUNITY ENTERPRISES, INC WHICH IS A NOT-FOR-PROFIT 501(C)(3) CORPORATION FORM 990, PART VI, LINE 7A ELECTION OF THE GOVERNING BODY THE SOLE CORPORATE MEMBER ELECTS THE GOVERNING BODY OF THE ORGANIZATION FORM 990, PART VI, LINE 7B DECISIONS OF THE GOVERNING BODY THE MEMBER MUST APPROVE ANY AMENDMENTS TO THE BY LAWS OF THE ORGANIZATION FORM 990, PART VI, LINE 8 DOCUMENTATION OF MEETINGS BOARD MEETING MINUTES AND BOARD SUBCOMMITTEE MINUTES ARE KEPT ON FILE FORM 990, PART VI, LINE 11A REVIEW PROCESS FOR FORM 990 THE TAX RETURN WAS REVIEWED BY THE FINANCE COMMITTEE PRIOR TO THE FILING DATE A COPY OF THE FORM 990 IS MADE AVAILABLE TO THE ENTIRE BOARD OF DIRECTORS PRIOR TO FILING FORM 990, PART VI, LINE 12C CONFLICT OF INTEREST POLICY ST BARNABAS HOSPITAL'S ("SBH") CONFLICT OF INTEREST POLICIES APPLY TO ITS GOVERNING BOARD, CORPORATE OFFICERS, EMPLOYEES AND ANY OTHERS REPRESENTING THE ORGANIZATION SBH'S BY LAWS REQUIRE THAT MEMBERS OF ITS GOVERNING BOARD AND ITS CORPORATE OFFICERS DISCLOSE ALL CONFLICTS OF INTEREST PROMPTLY AT THE TIME THEY ARISE, AND ANNUALLY VIA A WRITTEN DISCLOSURE PROCESS THE GOVERNING BOARD IS IN CHARGE OF REVIEWING CONFLICT OF INTEREST TRANSACTIONS AND ASSOCIATED DECISIONS, AND MAKING A DETERMINATION REGARDING ANY RESTRICTIONS TO BE IMPOSED ON THE TRANSACTION THEIR DETERMINATION AND ALL MATERIAL FACTS ARE RECORDED IN MEETING MINUTES SBH'S EMPLOYEES ARE LIKEWISE REQUIRED TO DISCLOSE TO THEIR SUPERVISORS PROMPTLY, AND IN WRITING, ALL CONFLICTS OF INTEREST THAT ARISE AND UPPER-LEVEL MANAGERS ADDITIONALLY COMPLETE AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT AN EMPLOYEE'S SUPERVISOR IS CHARGED WITH REVIEWING A REPORTED CONFLICT OF INTEREST AND ENSURING THAT THE EMPLOYEE IS NOT INVOLVED IN DECISIONS RELATED TO THE CONFLICT FORM 990, PART VI, LINE 15A & 15B COMPENSATION POLICY THE COMPENSATION COMMITTEE OF THE BOARD CONDUCTS AN ANNUAL REVIEW OF THE PRESIDENT/CEO'S COMPENSATION AS PART OF THIS REVIEW, THE COMMITTEE REFERENCES AVAILABLE MARKET DATA FOR COMPARABLE POSITIONS AND INTERNAL EQUITY CONSIDERATIONS, AND IT UTILIZES AN ANALYSIS OF THE CEO'S SALARY PREPARED BY SULLIVAN COTTER, AN INDEPENDENT EXTERNAL ADVISOR, USING INDUSTRY BENCHMARKING DATA FOR THE REVIEW PROCESS FOR THE PRESIDENT/CEO FORM 990, PART VI, LINE 19 DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION FORM 990 IS AVAILABLE ON GUIDESTAR OTHER GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST FORM 990, PART XI, LINE 5 CHANGE IN PENSION LIABILITY - \$12,176,202 OTHER CHGS IN TEMP AND PERM REST NET ASSETS - (\$22,636,895) TOTAL = (\$10,460,693)
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SCOTT COOPER MD TITLE PRESIDENT HOURS 2
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME LEONARD WALSH TITLE CHIEF OPERATING OFFICER HOURS 2
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME NOAH CALDWELL TITLE SR VICE PRESIDENT HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PATRICIA S BELAIR TITLE SR VICE PRESIDENT HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CATHERINE GRAHAM TITLE SR VICE PRESIDENT HOURS 5
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KEITH D WOLF TITLE SR VICE PRESIDENT HOURS 5
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PATRICIA CUNNINGHAM TITLE SR VICE PRESIDENT HOURS 2
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TODD GORLEWSKI TITLE SR VICE PRESIDENT / CFO HOURS 5

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

2011

► 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.

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

Name of the organization

ST BARNABAS HOSPITAL

Employer identification number

13-1740122

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MOLLY ROSE LLC C/O SBH 4422 THIRD AVENUE BRONX, NY 10457 26-1897452	SRVC COMPANY	NY	0	0	SBH

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ST BARNABAS NURSING HOME 2175 QUARRY ROAD BRONX, NY 10457 13-3622351	NURSING HOME	NY	501(C)(3)	9	SB COMMUNITY	Yes	
(2) ST BARNABAS COMMUNITY ENTERPRISES 183RD STREET AND 3RD AVENUE BRONX, NY 10457 06-1175581	HEALTH CARE	NY	501(C)(3)	3	NONE		No
(3) ST BARNABAS COMMUNITY HEALTH PLAN INC 4422 3RD AVENUE BRONX, NY 10457 13-3717546	MEDICAID CO	NY	501(C)(3)	9	SB COMMUNITY	Yes	
(4) ADAMS PLACE HOLDING CORPORATION 183RD STREET AND 3RD AVENUE BRONX, NY 10457 13-3731627	TITLE HOLDING	NY	501(C)(2)		SB COMMUNITY	Yes	

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ARTHUR MANAGEMENT CORPORATION (AMC)							
CO SBH 4422 THIRD AVENUE	HOLDING COMPANY	NY	SBCE	C	0	0	0 %
BRONX, NY 10457							
06-1174733							
(2) ST BARNABAS CORRECTIONAL HEALTH SYSTEM							
C/O SBH 4422 THIRD AVENUE	FORMER BILLING	NY	AMC	C	0	0	0 %
BRONX, NY 10457	CO						
06-1174731							
(3) SBH PHYSICIANS PC							
4422 THIRD AVENUE	MEDICINE	NY	SBH	C	1,924,488	466,830	100 000 %
BRONX, NY 10457							
27-2892195							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)
- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses
- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m	Yes	
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ARTHUR MANAGEMENT CORPORATION	Q	600,000	FMV
(2) ST BARNABAS NURSING HOME	P	9,650,000	FMV
(3) SBH PHYSICIANS PC	P	1,924,488	FMV
(4)			
(5)			
(6)			

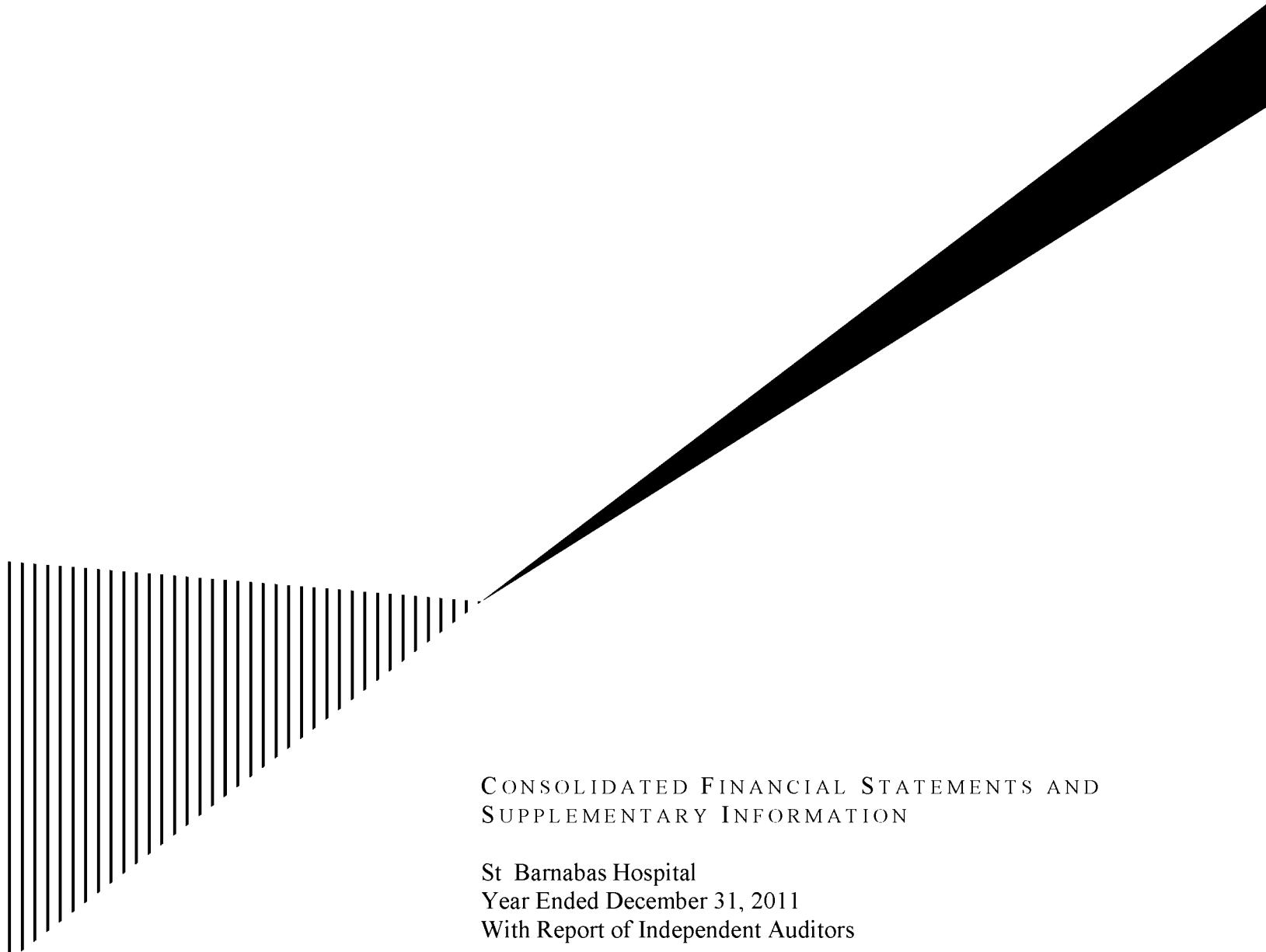
Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation



CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

St Barnabas Hospital
Year Ended December 31, 2011
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

St. Barnabas Hospital
Consolidated Financial Statements and
Supplementary Information
Year Ended December 31, 2011

Contents

Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Balance Sheet	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Assets	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Consolidating Balance Sheet	42
Consolidating Statement of Operations	43



Ernst & Young LLP
5 Times Square
New York, NY 10036-6530
Tel +1 212 773 3000
Fax +1 212 773 6350
www.ey.com

Report of Independent Auditors

The Board of Trustees
St Barnabas Hospital

We have audited the accompanying consolidated balance sheet of St Barnabas Hospital (the "Hospital") as of December 31, 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St Barnabas Hospital at December 31, 2011, and the consolidated results of their operations, changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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.

August 6, 2012

St. Barnabas Hospital
Consolidated Balance Sheet

December 31, 2011

Assets

Current assets

Cash and cash equivalents	\$ 1,967,593
Current portion of assets limited as to use	8,117,265
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$48,525,000 in 2011	37,910,361
Due from third-party payer reimbursement programs	19,963,535
Other receivables	4,311,204
Prepaid expenses and supplies	1,564,922
Total current assets	<u>73,834,880</u>
Assets limited as to use	
Externally limited	
Under malpractice funding requirements	2,292,070
Under financing agreements	33,210,635
Funds held in trust by others	17,891,880
Internally limited	33,746,141
Property, plant and equipment, net	214,617,362
Receivable from Union Community Health Center	9,886,802
Other assets	18,131,799
Total assets	<u>\$ 403,611,569</u>

Liabilities and net assets

Current liabilities

Accounts payable and accrued expenses	\$ 37,027,742
Accrued salaries, wages and related expenses	21,016,246
Current portion of long-term debt	4,303,678
Due to third-party payer reimbursement programs	346,007
Total current liabilities	<u>62,693,673</u>
Long-term debt, net of current portion	89,892,489
Due to third-party payer reimbursement programs, net of current portion	26,924,406
Estimated malpractice liability, net of current portion	19,299,329
Accrued pension liability	35,529,861
Accrued postretirement benefit cost, net of current portion	1,870,299
Other liabilities	5,726,735
Total liabilities	<u>241,936,792</u>

Net assets

Unrestricted	142,460,310
Temporarily restricted	3,617,758
Permanently restricted	15,596,709
Total net assets	<u>161,674,777</u>
Total liabilities and net assets	<u>\$ 403,611,569</u>

See accompanying notes.

St. Barnabas Hospital

Consolidated Statement of Operations

Year Ended December 31, 2011

Operating revenues

Net hospital patient service revenue	\$ 278,104,111
HIP Southern capitated health service revenue	12,609,140
Fordham Tremont Mental Health Clinic revenue	16,032,415
Other operating revenue	20,878,043
Net assets released from restrictions	596,448
Total operating revenues	<u>328,220,157</u>

Operating expenses

Professional care of patients	180,149,422
Dietary services	5,596,319
Household and maintenance	19,772,930
Administration and general services	30,424,750
Employee health and welfare	46,338,870
Malpractice expense	1,972,030
Provision for bad debts	8,500,130
Interest	3,269,851
Depreciation, amortization and rentals	20,836,917
Fordham Tremont Mental Health Clinic expenses	<u>17,183,678</u>
Total operating expenses	<u>334,044,897</u>
Operating loss	(5,824,740)

Investment income	1,691,183
Deficiency of revenues over expenses	(4,133,557)

Change in pension and postretirement benefits liability to be recognized in future periods	(12,176,202)
--	--------------

Decrease in unrestricted net assets	<u>\$ (16,309,759)</u>
-------------------------------------	------------------------

See accompanying notes.

St. Barnabas Hospital
Consolidated Statement of Changes in Net Assets

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balance at January 1, 2011, as originally reported	\$ 155,365,426	\$ 3,769,043	\$ 17,134,209	\$ 176,268,678
Adjustment (<i>Note 2</i>)	3,404,643	—	—	3,404,643
Balance at January 1, 2011, as adjusted	<u>158,770,069</u>	<u>3,769,043</u>	<u>17,134,209</u>	<u>179,673,321</u>
Deficiency of revenues over expenses	(4,133,557)	—	—	(4,133,557)
Change in unrealized gains on investments	—	—	(1,537,500)	(1,537,500)
Interest and dividend income from permanently restricted net assets	—	303,075	—	303,075
Change in pension and postretirement benefits liability to be recognized in future periods	(12,176,202)	—	—	(12,176,202)
Restricted gifts and bequests	—	142,088	—	142,088
Net assets released from restrictions	—	(596,448)	—	(596,448)
Change in net assets	(16,309,759)	(151,285)	(1,537,500)	(17,998,544)
Balance at December 31, 2011	<u>\$ 142,460,310</u>	<u>\$ 3,617,758</u>	<u>\$ 15,596,709</u>	<u>\$ 161,674,777</u>

See accompanying notes.

St. Barnabas Hospital

Consolidated Statement of Cash Flows

Year Ended December 31, 2011

Operating activities

Change in net assets	\$ (17,998.544)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Change in pension and postretirement benefits liability to be recognized in future periods	12,176.202
Depreciation and amortization	19,810.674
Provision for bad debts	8,500.130
Change in net unrealized and realized gains and losses on investments	(109,710)
Equity earnings in Healthfirst, LLC	(3,896.720)
Changes in operating assets and liabilities	
Patient accounts receivable, net	(8,488.496)
Other assets and liabilities	4,819.175
Prepaid expenses and supplies	12,664
Accounts payable, accrued expenses, salaries and wages	950,234
Accrued postretirement benefit cost	(1,387,071)
Accrued pension liability	479,691
Due to third-party payer reimbursement programs, net	1,443,436
Estimated malpractice liability	(2,328,027)
Net cash provided by operating activities	<u>13,983,638</u>

Investing activities

Purchases of property, plant and equipment	(30,738,251)
Sales of marketable securities	25,434,591
Purchases of marketable securities, assets limited as to use and long-term investments, net	(1,353,409)
Increase in receivable for professional services rendered to UCHC	(6,149,028)
Decrease in note receivable from UCHC due to payments made	8,400,000
Purchase of investment in Healthfirst, LLC	(5,339,120)
Net cash used in investing activities	<u>(9,745,217)</u>

Financing activities

Payments on long-term debt	(4,140,193)
Net cash used in financing activities	<u>(4,140,193)</u>
Net increase in cash and cash equivalents	98,228

Cash and cash equivalents

Beginning of year	1,869,365
End of year	<u>\$ 1,967,593</u>

Supplemental disclosures of cash flow information

Interest paid (includes capitalized interest expense aggregating \$1,578,894, which is reported as construction in progress, and is included in property, plant and equipment)	<u>\$ 4,848,745</u>
--	---------------------

See accompanying notes

St. Barnabas Hospital

Notes to Consolidated Financial Statements

December 31, 2011

1. Organization

St Barnabas Hospital (the “Hospital”) is a not-for-profit acute care hospital providing health care related services primarily to residents of the Bronx St Barnabas Community Enterprises, Inc (“Enterprises”) is the sole member of the Hospital Amounts specifically related to the Hospital include the activity of St Barnabas Hospital and Fordham Tremont Community Mental Health Center (“Fordham Tremont”), which signed an Agreement of Affiliation and Shared Governance with the Hospital in 1988

The Hospital is a not-for-profit corporation and is exempt from Federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code (the “Code”) as organizations described in Section 501(c)(3) The Hospital is also exempt from New York State and local income taxes

Arthur Management Corporation (the “Company”) is a wholly owned, for profit subsidiary of Enterprises The Company was established in 1986 as the holding company for all for-profit corporations of Enterprises Mid-Bronx Credit Corporation (“Mid-Bronx”) is a wholly owned subsidiary of the Company Mid-Bronx was established in 1986 for the purpose of providing billing and collection services for physicians It is wholly owned by Arthur Management Corporation Mid-Bronx ceased providing such services for the Hospital in 2000 and has since had no significant business activity

The Company’s sole purpose is to receive and utilize the proceeds of the Recovery Zone Facility Revenue Bonds for the purposes of the acquisition, construction, renovation, equipping, furnishing and operation of an approximately 210,615 square foot, 605 space parking facility (the “Project”) located on the Hospital’s grounds The land on which the Project is to be constructed is subject to a ground lease (the “Ground Lease”) between the Hospital, as landlord, and the Company, as tenant, dated December 20, 2010 In addition, in conjunction with the Ground Lease, the Hospital entered into a Dedicated Parking Facility Agreement with the Company and provided an equity investment of \$3,500,000 to the Company

The execution of these agreements and the equity investment were performed in conjunction with the Company securing a \$19,800,000 bond financing through the New York City Capital Resource Corporation (“CRC”) to fund Project costs Access to financing was achieved through the American Reinvestment and Recovery Act, which gave CRC the authorization to provide triple-tax-exempt bond financing through Recovery Zone bonds Total project and financing costs were projected at approximately \$23,300,000 and the Company was awarded

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

access to \$19,800,000 in bond funds. As a result, the Hospital provided a \$3,500,000 equity investment to the Company to ensure sufficient assets to fund total costs of the Project. The Ground Lease provides that the Hospital leases the designated parcel, identified as Lot 100 in Block 3064 of the Tax Map of the City of New York, to the Company in exchange for nominal consideration. Under the terms of the Dedicated Parking Facility Agreement, the parking garage constructed by the Company will be dedicated primarily to the needs of visitors, employees and patients of the Hospital. In exchange for this exclusive accommodation, beginning in 2012, the Hospital will provide the Company with a monthly Access Fee as well as a Maintenance Reserve Payment to meet the costs of future capital repairs. The Company has no significant assets other than its interest in the Project and the revenues derived therefrom.

In addition, on May 1, 2012, the Hospital provided a one-time payment in the amount of \$831,000 to establish a Stabilization Fund. The combined annual payments of future dedication fees as set forth in the Dedicated Parking Facility Agreement are as follows:

2012	\$ 1,805,500
2013	2,080,200
2014	2,129,400
2015	2,190,900
2016	2,333,900
Thereafter	<u>22,405,800</u>
	<u>\$ 32,945,700</u>

2. Summary of Significant Accounting Policies

Principles of Consolidation

As a result of the foregoing transaction and in accordance with Account Standards Codification (“ASC”) 958-810-25, *Not-for-Profit Entities Consolidation, Special Purpose-Entity Lessors*, the activity of the Company has been consolidated with the Hospital, collectively referred to within these notes as the “Organization”, where appropriate. All intercompany transactions have been eliminated in consolidation.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

On January 1, 2011, management adjusted unrestricted net assets previously reported. The adjustment represents the Hospital's \$3.5 million equity investment in the Company that was previously classified as a transfer of equity. The adjustment increases the non-current assets on the Hospital's stand-alone balance sheet which is eliminated in consolidation with the Company's equity. The adjustment has no impact on the performance indicator.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting standards.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenues and expenses during the reporting period. The most significant estimates relate to third-party payer adjustments, allowances for doubtful accounts, malpractice, and pension and postretirement liabilities. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates. During 2011, amounts recognized related to prior years, including adjustments to prior year estimates, decreased the operating loss by approximately \$5.6 million.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid financial instruments purchased with an original maturity of three months or less, excluding amounts included in assets limited as to use. The Organization invests cash and cash equivalents with major banks, and has determined that the amount of credit exposure at any one financial institution is not significant to the consolidated financial position of the Organization. Included in cash and cash equivalents are amounts in excess of \$250,000 at December 31, 2011 which is the maximum insured by the Federal Deposit Insurance Company. Management acknowledges that this risk exists and attempts to mitigate this risk through its weekly cash management policies.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value

Investment income, which consists of interest, dividends, and realized and unrealized gains and losses on investments, is included within deficiency of revenues over expenses unless the income or loss is restricted by donor or law. Investment income earned on permanently restricted net assets, upon which restrictions have been placed by donors, is added to temporarily restricted net assets

Assets Limited as to Use

Assets limited as to use primarily include cash and investments held by trustees under financing agreements, medical malpractice funding requirements, charitable trusts and designated assets set aside by the Board of Trustees for future capital improvements, over which the Board of Trustees retains control and may at its discretion subsequently use for other purposes. Amounts required to meet the Hospital's current liabilities or available for use in the next 12 months have been classified as current assets in the consolidated balance sheet

Funds held in trust by others represent investments held in perpetuity by other institutions. Income earned on these investments can be used for general operating purposes or other donor-restricted purposes based on terms of the trust, which would be reported as temporarily restricted. These funds are recognized at the estimated fair value of the assets

Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost. Gifts of long-lived assets such as land, buildings, or equipment are reported at appraised or fair value at the date of the contribution as unrestricted support, and are excluded from the deficiency of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used as gifts of cash, or other assets that must be used to acquire long-lived assets are reported as restricted support

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Absent explicit donor stipulations about how those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service Depreciation of property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets as follows

Buildings and improvements	5 – 40 years
Major movable equipment	3 – 20 years

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Conditional Asset Retirement Obligations

Asset retirement obligations, reported in other liabilities, are legal obligations associated with the retirement of long-lived assets These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability Asset retirement costs are subsequently depreciated over the useful lives of the related assets Subsequent to initial recognition, the Hospital records changes in the liability resulting from the passage of time and revisions to either the time or the amount of the original estimate of undiscounted cash flows The Hospital reduces its liabilities when the related obligations are settled

Deferred Financing Costs

Deferred financing costs, included in other assets, represent costs incurred to obtain financing for the Organization's construction projects and are amortized over the life of the associated debt Deferred financing costs were \$7,580,747 at December 31, 2011 Accumulated amortization expense was \$3,304,780 at December 31, 2011

Temporarily and Permanently Restricted Net Assets

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions Unconditional promises to donate cash and other assets are reported at fair value at the date the promise is received Conditional promises to donate and indications of intentions to donate are recognized when the condition is substantially met

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets under specific restrictions that specify the use of assets and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to temporarily restricted net assets if the assets are not placed in service during the year

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity and these endowment funds are included in long-term investments

Inventories of Supplies

Inventories are stated at the lower of cost (first-in, first-out method) or market Inventories are used in the provision of patient care and are not held for sale

Income Taxes

The Company recognizes deferred tax assets and liabilities based on the difference between the financial statement amounts and the tax bases of assets and liabilities using enacted tax rates in effect for the tax year in which the differences are expected to reverse Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized

Performance Indicator

The consolidated statement of operations includes deficiency of revenues over expenses as the performance indicator The Organization differentiates its operating activities through the use of operating loss as an intermediate measure of operations For the purpose of display, certain investment income, which management does not consider as components of the Hospital's operating activities, is excluded from operating loss in the consolidated statement of operations Changes in unrestricted net assets which are excluded from deficiency of revenues over expenses include adjustments to pension and postretirement benefits

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The natural classification of operating expenses presented in the accompanying consolidated statement of operations for the year ended December 31 is presented as follows

	2011
Salaries and wages	\$ 137,220,846
Employee benefits	50,078,786
Other operating expenses	115,164,610
Provision for bad debts	8,500,130
Depreciation and amortization	19,810,674
Interest	3,269,851
Total	<u>\$ 334,044,897</u>

Net Patient Service Revenue, Accounts Receivable, Allowance for Uncollectible Accounts

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Non-Medicare Reimbursement

In New York State, hospitals and all non-Medicare payers, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payers are billed at hospitals' established charges. Medicaid, workers' compensation and no-fault payers pay hospital rates promulgated by the New York State Department of Health ("NYSDOH"). Effective December 1, 2009, the New York State prospective payment methodology was updated such that payments to hospitals for Medicaid, workers' compensation and no-fault inpatient services are based on a statewide rate, with retroactive adjustments for certain rate components paid concurrently with the settlement of the final rate. Prior to December 1, 2009, the retroactive adjustments were paid in future years as a component of the hospital-specific rate. Outpatient services are also paid based on a statewide prospective system that was effective December 1, 2008. Medicaid rate

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

methodologies are subject to approval at the Federal level by the Centers for Medicare and Medicaid Services (“CMS”), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS is not recognized until the Hospital is reasonably assured that such amounts are realizable. Adjustments to the current and prior years’ payment rates for those payers will continue to be made in future years.

Medicare Reimbursement

Medicare pays hospitals for most inpatient and outpatient services under its respective national prospective payment systems, and uses other, generally fee-schedule based, methodologies for payment for other services. Federal regulations provide for certain adjustments to current and prior years’ payment rates, based on industry-wide and hospital-specific data.

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years’ payment rates, based on industry-wide and hospital-specific data.

There are various proposals at the Federal and State levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that have been enacted by the Federal and State governments, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Hospital. Additionally, certain payers’ payment rates for various years have been appealed by certain members of the Hospital. If the appeals are successful, additional income applicable to those years might be realized.

The current Medicaid, Medicare and other third-party payer programs are based upon extremely complex laws and regulations that are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Hospital is not aware of any allegations of noncompliance that could have a material adverse effect on the consolidated financial statements and believes that it is in compliance with all applicable laws and regulations. Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been audited by the Medicare fiscal intermediary and settled through

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

2004 Other years remain open for audit and settlement As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled and additional information is obtained

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments The Hospital has implemented a monthly standardized approach to estimate and review the collectibility of receivables based on the payer classification and the period from which the receivables have been outstanding Account balances are written off against the allowance when management feels it is probable the receivable will not be recovered Historical collection and payer reimbursement experience is an integral part of the estimation process related to the allowance for doubtful accounts In addition, the Hospital assesses the current state of its billing functions in order to identify any known collection or reimbursement issues and assess the impact, if any, on allowance estimates The Hospital believes that the collectability of its receivables is directly linked to the quality of its billing processes, most notably those related to obtaining the correct information in order to bill effectively for the services it provides Revisions to the allowance for doubtful accounts estimates are recorded as an adjustment to the provision for bad debts

Revenue from the Medicare and Medicaid programs accounted for approximately 22% and 33%, respectively, of the Hospital's net patient service revenue for the year ended December 31, 2011

Charity Care

The Hospital, in keeping with its mission and philosophy to extend quality care and compassionate service, recognizes that some patients are unable to compensate the Hospital for their treatment either through third-party coverage or their own resources The Hospital provides free care or sliding fee scales to patients financially unable to pay for services rendered The Hospital does not pursue collection of amounts that qualify as charity care, and therefore they are not reported as revenue The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$46,947,700 for the year ended December 31, 2011 The estimated cost of charity care provided was \$18,404,000 for the year ended December 31, 2011 The estimated cost is based on the ratio of cost to charges, as determined by hospital-specific data

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The NYSDOH Hospital Indigent Care Pool (the “Pool”) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue During the year ended December 31, 2011, the Hospital received approximately \$27 1 million in Pool distributions, of which approximately \$14 9 million was related to charity care The Hospital made payments into the Pool of approximately \$1 4 million for the year ended December 31, 2011 for the 1% assessment

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received The gifts are either reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and the statements of changes in net assets as net assets released from restrictions Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions (included in other operating revenue) in the accompanying consolidated financial statements

New Accounting Standards

In August 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No 2010-23, *Measuring Charity Care for Disclosure* (“ASU No 2010-23”) ASU No 2010-23 requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided ASU No 2010-23 also requires separate disclosure of the amount of any cash reimbursements received for providing charity care ASU No 2010-23 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010 The Hospital adopted the provisions of ASU No 2010-23 in 2011

In September 2011, the FASB issued ASU No 2011-09, *Disclosures about an Employer’s Participation in a Multiemployer Plan* (“ASU No 2011-09”), which requires additional disclosures about an employer’s participation in multiemployer pension plans The guidance is effective for fiscal years ending after December 15, 2011 The Hospital adopted ASU No 2011-09 and applied its provisions to the consolidated financial statements

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In July 2011, the FASB issued ASU No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (“ASU No 2011-07”). The provisions of ASU No 2011-07 require certain health care entities that recognize significant amounts of patient service revenue at the time the services are rendered without assessing the patient’s ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue in the statement of operations rather than as an operating expense. Additional disclosures relating to sources of patient service revenue and the allowance for uncollectible accounts are also required. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Hospital plans to adopt the provisions of ASU No 2011-07 in 2012.

3. Capitated Arrangements

Health Insurance Plan of New York, Inc.

The Hospital entered into a capitated contract with Health Insurance Plan of New York (“HIP”) to cover inpatient and outpatient services to HIP enrollees and to manage a HIP outpatient clinic. On July 1, 2008, the Hospital negotiated a new agreement with HIP. This contract automatically renews on July 1 of each year for successive one-year terms unless terminated by either party upon 180 days’ prior written notice.

Under this capitated agreement, the Hospital recognizes revenue based on a predetermined monthly contractual rate for each member regardless of the services provided and assumes responsibility for payment of contracted HIP patient services.

In-network and out-of-network costs resulting from services provided under capitation contracts are accrued in the period they are incurred. The costs of claims incurred but not reported (“IBNR”) are based on historical patterns of utilization to authorized levels of service, current enrollment statistics and other information. Amounts recorded within accounts payable and accrued expenses for claims IBNR were approximately \$2.0 million at December 31, 2011.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

3. Capitated Arrangements (continued)

Healthfirst, LLC

The Hospital began treating Healthfirst, LLC (“Healthfirst”) enrollees as of November 2006 under a capitated arrangement. The Hospital receives advances for services rendered as if a fee for service arrangement existed. The capitated amount is reconciled to actual claims expenses and amounts quarterly. The amount due from Healthfirst, included within due from third-party payer reimbursement programs, at December 31, 2011 is approximately \$3,874,000.

4. Assets Limited as to Use

The composition of assets limited as to use at December 31, 2011, at fair value, is as follows:

Cash	\$ 26,142,197
U S Treasury obligations	18,213,980
Corporate bonds	1,186,951
Mutual funds	33,113,028
Charitable trust	15,596,709
Other	1,005,126
Total assets limited as to use	<u>\$ 95,257,991</u>
Under malpractice funding requirements	\$ 6,105,655
Under financing agreements	33,210,635
Funds held in trust by others	17,891,880
Internally limited	38,049,821
Total assets limited as to use	<u>\$ 95,257,991</u>

Investment income and changes in net unrealized gains and losses on investments included in the consolidated statement of operations for the year ended December 31, 2011 consists of the following:

Interest and dividend income	\$ 1,581,473
Realized gains and losses on sales of securities	253,847
Change in net unrealized gains and losses on investments	(144,137)
Investment income	<u>\$ 1,691,183</u>

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements

For assets and liabilities required to be measured at fair value, the Organization measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Organization'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.

The Organization follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities

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

Level 3: Unobservable inputs are used when little or no market data is available

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

Financial assets and liabilities carried at fair value as of December 31, 2011 are classified in the following table in one of the three categories described previously:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 28,109,790	\$ 28,109,790	\$ —	\$ —
U S Treasury obligations	18,213,980	—	18,213,980	—
Corporate bonds	1,186,951	—	1,186,951	—
Mutual funds	33,113,028	29,720,220	3,392,808	—
Charitable trusts	15,596,709	—	15,596,709	—
Other	1,005,126	—	1,005,126	—
	\$ 97,225,584	\$ 57,830,010	\$ 39,395,574	\$ —

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

The following is a description of the Organization's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices.

Fair value for Level 2 is based upon 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.

Assets included within the charitable trust include cash, equities, fixed income, hedge funds, private equity and tangible assets.

The fair values and carrying values of the Organization's financial instruments that are not required to be carried at fair value are as follows at December 31, 2011.

	2011	
	Fair Value	Carrying Value
Long-term debt	\$ 94,196,167	\$ 94,196,167

The fair value of long-term debt is primarily based on quoted market prices and other valuation considerations.

6. Property, Plant and Equipment

A summary of property, plant and equipment at December 31, 2011 is as follows:

Land	\$ 12,814,890
Buildings and improvements	295,943,158
Major moveable equipment	208,959,281
Construction-in-progress	<u>18,434,337</u>
	536,151,666
Less accumulated depreciation	<u>321,534,304</u>
	<u>\$ 214,617,362</u>

Depreciation expense for the year ended December 31, 2011 was \$19,475,606.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

6. Property, Plant and Equipment (continued)

Estimated costs to complete construction in progress projects as of December 31, 2011 approximates \$24,100,000. For the year ended December 31, 2011 capitalized interest of \$2,157,394 was recorded.

7. Long-Term Debt

A summary of long-term debt at December 31, 2011 is as follows

Hospital – 5 53% HUD insured mortgage note, collateralized by a mortgage on certain property and equipment (a)	\$ 15,143,445
Hospital – 5 14% HUD insured mortgage note, collateralized by a mortgage on certain property and equipment (b)	57,392,017
Hospital – 46% HUD insured mortgage note, collateralized by certain property and equipment (c)	1,860,705
Company – 7 00% CRC Recovery Zone Facility Revenue Bonds (d)	<u>19,800,000</u>
Less current portion	94,196,167
	<u>4,303,678</u>
	<u><u>\$ 89,892,489</u></u>

Scheduled principal repayments on the long-term debt is as follows

	Total
2012	\$ 4,303,678
2013	5,111,233
2014	4,557,681
2015	4,823,674
2016	5,093,006
Thereafter	<u>70,306,895</u>
	<u><u>\$ 94,196,167</u></u>

(a) In December 1997, the Hospital entered into a mortgage note for \$40,973,100 through the Dormitory Authority of New York State (“DASNY”). The debt bears interest at 5 53% per annum.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

7. Long-Term Debt (continued)

The proceeds of the debt were used to satisfy the Hospital's outstanding mortgage balance of approximately \$13,000,000 and the remaining balance was used to finance certain Hospital construction projects, which began in 1997 Under the terms of the DASNY financing, the proceeds remaining after the satisfaction of the old mortgage were placed in an escrow account to be requisitioned for reimbursement during the construction period At December 31, 2011, unrequisitioned funds in the amount of approximately \$827,000 were held in escrow This balance is included in assets limited as to use under financing agreements

The monthly interest payment is based on the amount of funds requisitioned under the debt agreement, which was approximately \$40,147,100 at December 31, 2011 Beginning October 1, 1999, monthly principal and interest payments of \$365,962 were due until September 1, 2006 Beginning in October 2006, the monthly interest and principal payments were reduced to \$170,148 until maturity in September 2024

(b) In December 2002, the Hospital entered into a mortgage note for \$68,489,000 through DASNY The proceeds of the mortgage were used to finance the costs of certain capital additions on the property of the Hospital The debt bears interest at a rate of 7 5% until June 2005, at which point amortization of principal commenced and interest decreased to 5 14% per annum Under the terms of the DASNY financing, the bond proceeds were placed in an escrow account to be requisitioned for reimbursement during the construction period At December 31, 2011, funds in the amount of approximately \$12,000 were held in escrow This balance is included in assets limited as to use under financing agreements

In connection with the 2002 DASNY financing, the Hospital was required to establish a letter of credit with a bank in the amount equal to the remaining owners' equity component of the project The required balance as of December 31, 2011 is \$4,539,000 Since the inception of this letter of credit, there have been no draw downs The letter of credit has been extended through December 31, 2012

Under the terms of the mortgage note, the Hospital is required to maintain a sinking fund that encompasses the 1997 and 2002 mortgage loans As of December 31, 2011, the Hospital was in compliance with the required deposit amounts The sinking fund is included in assets limited as to use under financing agreements

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

7. Long-Term Debt (continued)

The required sinking fund balances for the next five years is as follows

	Fund Balance
2012	\$ 15,083,598
2013	15,083,597
2014	15,083,597
2015	15,083,597
2016	15,083,597

The 1997 and 2002 DASNY mortgage notes place restrictions on the incurrence of additional borrowings and requires the Hospital to satisfy certain financial ratio requirements, as long as the notes are outstanding. The Hospital is required to comply with the terms, covenants, provisions, and conditions of the DASNY Agreement and the HUD Supplement Agreement in connection with the FHA-Insured Mortgage Hospital Bonds, Series 1997 and 2002, dated December 10, 1997 and December 12, 2002, respectively. In 2011, the Hospital did not meet certain financial ratio requirements. This does not result in acceleration of the debt, only nonpayment of principal and/or interest would result in acceleration of the debt (the Hospital has not defaulted on any principal or interest payments). Noncompliance with these financial ratio requirements places other restrictions on the Hospital, such as requiring approval for additional borrowings or disposal of assets.

(c) In 1988, Union Hospital entered into a long-term financing arrangement sponsored by the New York State Medical Care Facilities Finance Agency ("MCFFA"), which is insured by the Federal Housing Agency in the amount of \$15,136,900. The obligation was collateralized by substantially all of the assets of Union Hospital.

The Hospital assumed the remaining principal obligation under this mortgage of \$12,658,463 on September 27, 1999, in connection with the acquisition of Union Hospital, as well as the mortgage note's collateral. In December 2002, the Hospital entered into a refinancing agreement through DASNY for the Hospital's outstanding MCFFA insured mortgage note acquired in connection with the acquisition of Union Hospital. The outstanding balance at the time of the refinancing was approximately \$11,197,000 and the revised interest is 46% per annum. Monthly principal and interest payments of \$88,979 are due until maturity in August 2013.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

7. Long-Term Debt (continued)

The mortgage agreement requires the Hospital to make monthly deposits for mortgage insurance. In addition, the Hospital is required to maintain a sinking fund, which is included in assets limited as to use under financing agreements. The fund may only be used to replace fixed assets and major movable equipment with prior written approval by DASNY and the United States Department of Health and Human Services.

The required sinking fund balances for the next five years (until maturity in August 2013) are as follows:

	<u>Fund Balance</u>
2012	\$ 711,833

In addition, the mortgage loan places restrictions on the incurrence of additional borrowings and requires the Hospital to satisfy certain measures of financial performance, as long as the notes are outstanding.

(d) On December 21, 2010, the Company issued \$19,800,000 of Recovery Zone Facility Revenue Bonds through the New York City Capital Resource Corporation to fund the construction of the Project. The bonds are payable at varying dates through August 1, 2025 at a fixed rate of 7.0%. The bond agreement includes a mortgage lien and leasehold interest in the Project. Under the terms of the agreement, the Company is required to maintain certain financial ratios and comply with other restrictive covenants which commence for the year ended December 31, 2012.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available at December 31, 2011 for the following purposes:

Indigent care	\$ 1,782,925
Other patient care	1,834,833
Temporarily restricted net assets	<u><u>\$ 3,617,758</u></u>

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

8. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets at December 31, 2011 are restricted to

Investments to be held in perpetuity, the income from which is expendable to support health care services and indigent care	<u>\$ 15,596,709</u>
--	----------------------

Permanently restricted net assets are recorded in the consolidated balance sheet within funds held in trust by others. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of indigent care and other patient care in the amount of \$596,448 during 2011.

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA contains provisions that govern management of institutional funds and the appropriation of donor-restricted endowment funds. It replaces and updates key provisions of the Uniform Management of Institutional Funds Act (“UMIFA”), which was adopted in New York in 1978. The Board of Trustees has interpreted NYPMIFA for endowments created on or after September 17, 2010, and with respect to created endowments before that date where donors opt into having the new rules apply (or established by donors who are no longer “available”), whereby the Hospital may appropriate, subject to any restrictions imposed in the gift instrument, as much of the endowment funds as it determines is “prudent” for the uses, benefits, purposes and duration for which the endowment fund is established, applying the eight factors set forth below.

As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) the net realizable value of future payments to permanently restricted net assets in accordance with the donor’s gift instrument (outstanding endowment pledges net of applicable discount), and (d) accumulations, including appreciation, gains and income, 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 fund appreciation, gains and income is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by NYPMIFA. Upon appropriation, appreciation and earnings are reclassified as unrestricted net assets. In addition, the portion of any donor-restricted endowment fund below original dollar value is classified as unrestricted net assets. Once the donor-restricted endowment funds are above their original dollar value the appreciation, gains and earnings of the fund will be accounted for as temporarily restricted until appropriated.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

8. Temporarily and Permanently Restricted Net Assets (continued)

In accordance with NYPMIFA, the Board of Trustees considers the following factors in making the determination as to whether it was prudent to appropriate donor-restricted endowment funds

- (i) The duration and preservation of the endowment fund,
- (ii) The purposes of the Hospital and the endowment fund,
- (iii) General economic conditions,
- (iv) The possible effect of inflation or deflation,
- (v) The expected total return from income and the appreciation of investments,
- (vi) Other resources of the Hospital,
- (vii) Where appropriate and circumstances would otherwise warrant, alternatives to the expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Hospital, and
- (viii) The investment policy of the Hospital

The Hospital makes a contemporaneous record of the consideration it gave to each of the factors in deciding to appropriate

The Hospital understands that expenditures from a donor-restricted fund are limited to the uses and purposes for which the endowment fund is established. The Hospital further understands that, in cases where donors that have opted out of the provisions of NYPMIFA governing the expenditure of endowment funds, and where the funds have dropped below original dollar value, the use of net appreciation, realized gains (with respect to all assets) and unrealized gains (with respect only to readily marketable assets) is limited if the fair value of a donor-restricted fund is less than the original dollar value of the fund

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

8. Temporarily and Permanently Restricted Net Assets (continued)

The Hospital's endowments consisted of the following at December 31, 2011

	Endowment Net Asset Composition by Type of Fund			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ –	\$ –	\$ 15,596,709	\$ 15,596,709
	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 15,596,709</u>	<u>\$ 15,596,709</u>

The Hospital's endowments had the following changes for the year ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, January 1, 2011	\$ –	\$ –	\$ 17,134,209	\$ 17,134,209
Investment return				
Net appreciation/depreciation (realized and unrealized)	–	–	(1,537,500)	(1,537,500)
Total investment return	–	–	(1,537,500)	(1,537,500)
Endowment funds, December 31, 2011	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 15,596,709</u>	<u>\$ 15,596,709</u>

The policy governing the investment of the Hospital's endowment is in support of the Hospital and its mission over the long term by maintaining future growth of the endowment for purposes of capital expenditures, projects, and operating needs. Under this policy, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5%. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation to achieve its long-term objective within prudent risk constraints.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

9. Medical Malpractice Claims

The Hospital is self-insured for losses resulting from malpractice claims filed against it. The actuarially determined estimated malpractice liability at December 31, 2011 was \$23,172,509, using a discount rate of 2%. The Hospital has established a discrete fund for the payment of medical malpractice claim settlements.

The Hospital maintains an investment portfolio, classified as assets limited as to use under malpractice funding requirements, for these malpractice liabilities. The balance of these investments was \$6,105,655 at December 31, 2011.

The estimates for professional liabilities are based upon extremely complex actuarial calculations which utilize factors such as historical claim experience for the Hospital and related industry factors, trending models, and estimates for the payment patterns of future claims. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

Malpractice and general liability claims have been asserted against the Hospital by various claimants. The claims are in various stages of processing and may ultimately be brought to trial. There are known incidents reported that may result in the assertion of additional claims, and other claims may be asserted arising from services provided to patients in the past. However, it is the opinion of the Hospital's management, based on prior experience and the advice of actuarial and legal counsel, that the ultimate resolution of professional and general liability claims will not have a significant effect on the Hospital's financial condition.

10. Pension and Other Postretirement Benefit Plans

The Hospital has a noncontributory defined benefit pension plan (the "Plan") covering substantially all of the nonunion employees at the Hospital, St. Barnabas Nursing Home (the "Nursing Home"), Union Community Health Center, Inc ("UCHC") and Fordham Tremont. The Hospital allocates a portion of the total annual pension expense to the Nursing Home and UCHC. The benefits are based on the five highest years of employee compensation. The Hospital's funding policy is to contribute annually the minimum funding requirement. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

Effective September 1, 2005, the Plan was amended so that a participant's monthly normal retirement benefits will be determined under the following formula (subject to the limit of 60% of the participant's average monthly compensation) Employees with five or more years of service are entitled to annual pension benefits beginning at the normal retirement age of the earlier of age 65 or age 60 with 30 years of service equal to 1 5% of their average monthly compensation times years of service, offset or reduced by 1 6% of their annual Primary Social Security Benefits times years of service This amended formula applies for all years of service credited under the Plan, including years of service completed prior to September 1, 2005 However, a participant's normal retirement benefit will not be less than the amount earned under the prior formula as of September 1, 2005 Notice of this plan amendment has been provided to all participants to fulfill requirements under the Employee Retirement Income Security Act of 1974

Effective January 1, 2009, the Plan was frozen to new participants Effective June 26, 2009, the Plan was amended to temporarily freeze benefits Under this amendment, participants generally did not earn any additional benefits during 2009 Participants that did not complete at least 1,000 hours of service by June 26, 2009 were not credited with a year of service for 2009 in determining normal retirement benefit Compensation, in 2009, generally will not be taken into account in determining average monthly compensation Effective for the Plan year beginning January 1, 2011, the Plan was amended to permanently freeze benefits As a result of this amendment, no new participants will be eligible to enter the Plan and compensation for 2010 and future years will not be taken into account in determining average monthly compensation

In addition to the Plan, the Hospital provides health care and life insurance benefits to its retired employees eligible for the Hospital's Plan Employees are eligible if they are age 60 or older, have completed five years of service immediately before retirement, and are insured as an active employee immediately before retirement

These benefit were terminated for new employees effective January 1, 2009 Effective February 1, 2010, the Hospital modified its postretirement health benefit A formal notice was distributed to Medicare eligible retirees, giving them the option to enroll in a Medicare Advantage Plan in which the Hospital would be providing a \$100 monthly subsidy to offset the premium In addition, this benefit was amended for active employees and established specific criteria that considers both age and years of service to determine eligibility Active employees who do not meet these criteria as of February 1, 2010 are not eligible for postretirement health benefits through the Hospital

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

As a result of the postretirement benefit plan amendment, the Hospital's postretirement health care benefit plan no longer is eligible for Medicare Part D prescription drug Federal subsidy, and this subsidy has therefore been excluded from the determination of the postretirement benefit obligation at December 31, 2011.

The Hospital recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of the defined benefit plans in its consolidated balance sheet.

Net unrecognized actuarial losses and net unrecognized prior service costs at the reporting date are recognized in the future as net periodic benefit cost pursuant to the Hospital's accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods that are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets.

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets, where applicable (postretirement plan is a non-funded plan), for the year ended December 31, 2011 and a statement of the funded status of the plans as of December 31, 2011.

	Pension	Postretirement
Changes in benefit obligation		
Benefit obligation at January 1	\$ (92,533,231)	\$ (1,834,307)
Service cost	—	(48,506)
Interest cost	(5,008,538)	(94,193)
Actuarial loss	(12,116,410)	(91,626)
Benefit payments	2,870,982	97,521
Medicare Part D prescription drug federal subsidy	—	(6,279)
Benefit obligation at December 31	<u>\$ (106,787,197)</u>	<u>\$ (1,977,390)</u>
Change in plan assets		
Fair value of plan assets at January 1	\$ 68,129,109	\$ —
Actual return on plan assets	4,222,864	—
Employer contributions	1,776,345	91,242
Benefit payments	(2,870,982)	(97,521)
Medicare Part D prescription drug federal subsidy	—	6,279
Fair value of plan assets at December 31	<u>\$ 71,257,336</u>	<u>\$ —</u>
Reconciliation of funded status		
Funded status at December 31 – Net amount recognized	<u>\$ (35,529,861)</u>	<u>\$ (1,977,390)</u>

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

The net amount recognized for the postretirement benefit plan is recorded as a component of accrued postretirement benefit cost, net of current portion and accrued salaries, wages and related expenses on the accompanying consolidated balance sheet

As of December 31, 2011, the Plan's accumulated benefit obligation is \$106,787,197

The Hospital recorded an adjustment to the pension and postretirement benefits as of December 31, 2011 of \$12,176,202, which is reported as an adjustment to the Hospital's unrestricted net assets within the consolidated statement of operations as follows

	Pension	Postretirement	Total
Other changes in plan assets and benefit obligations recognized in unrestricted net assets			
Actuarial loss	\$ 13,288,846	\$ 91,626	\$ 13,380,472
Amortization of prior service credit	–	1,583,606	1,583,606
Amortization of net actuarial loss	(2,642,798)	(145,078)	(2,787,876)
Total recognized in unrestricted net assets	<u>\$ 10,646,048</u>	<u>\$ 1,530,154</u>	<u>\$ 12,176,202</u>

The following table provides the components of the net periodic benefit cost (income) for the Plan for the year ended December 31, 2011

	Pension	Postretirement
Service cost	\$ –	\$ 48,506
Interest cost on projected benefit obligation	5,008,538	94,193
Expected return on plan assets	(5,395,300)	–
Amortization of prior service credit	–	(1,583,606)
Amortization of net actuarial loss	2,642,798	145,078
Net periodic benefit cost (income)	<u>\$ 2,256,036</u>	<u>\$ (1,295,829)</u>

Net periodic benefit costs associated with non-Hospital employees are allocated to each specific organization

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

Included in unrestricted net assets at December 31, 2011 are the following amounts that have not yet been recognized in net periodic benefit cost (income)

	Pension	Postretirement
Unrecognized prior service cost (credit)	\$ -	\$ (7,677,954)
Unamortized actuarial loss	42,735,395	1,007,622
	<u>\$ 42,735,395</u>	<u>\$ 6,670,322</u>

The unrecognized prior service cost (credit) and actuarial loss included in unrestricted net assets expected to be recognized in net periodic benefit cost (income) during the year ending December 31, 2012 are approximately \$3,174,000

The calculation of the plans' funded status and amounts recognized in the consolidated balance sheet as of the end of the fiscal years were based upon actuarial assumptions appropriate at this date. The applicable assumptions at December 31, 2011 are shown below

	Pension	Postretirement
Weighted average assumptions as of December 31		
Discount rate	4 70%	4 70%
Expected return on plan assets	6 50%	N/A
Rate of compensation increase	N/A	N/A
	Pension	Postretirement
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	5 50%	4 70%
Expected return on plan assets	8 00%	N/A
Rate of compensation increase	N/A	N/A

The Plan uses the "10% corridor method." Under the corridor approach, the excess of the unrecognized net (gain) loss over a prescribed limit (10% of the greater of the market related value of plan assets or the projected benefit obligation at the beginning of the year) is amortized over the expected future working lifetime of active participants expected to receive benefits

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

Plan Assets

No postretirement medical benefit plan assets were held for investment as of December 31, 2011. Defined benefit plan assets are held in a fund. The benefit balance and weighted average assets allocation at December 31, 2011, by asset category is as follows:

	Balance	Allocation
Cash	\$ 8,115,617	11%
U S Government obligations	5,324,475	7
Corporate bonds	18,481,233	26
Mutual funds	38,920,900	55
Alternative investments	415,111	1
	\$ 71,257,336	100%

	Total	Level 1	Level 2	Level 3
Cash	\$ 8,115,617	\$ 8,115,617	\$ —	\$ —
U S Government obligations	5,324,475	—	5,324,475	—
Corporate bonds	18,481,233	—	18,481,233	—
Mutual funds	38,920,900	38,920,900	—	—
Alternative investments	415,111	—	415,111	—
	\$ 71,257,336	\$ 47,036,517	\$ 24,220,819	\$ —

The majority of investments classified as Level 2 are 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.

Plan Investment Policy

The account is to be managed with full discretion on an accrual return basis with a moderate level of risk. Asset allocation has been set not to exceed 70% in equities and 60% in fixed income of the total portfolio value. The portfolio should be reasonably diversified by industry and qualify in accordance with the asset manager's current outlook. Selection of equities will be focused on companies with market capitalization in excess of \$500.0 million.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

With the exception of diversified commingled funds, no single issue will exceed 4% of the equity portfolio. The overall bond portfolio quality is to have a minimum A rating. With the exception of U.S. Government securities, no single issue will represent more than 10% of the bond portfolio.

Target Asset Allocation

In conjunction with the on-going uncertainty in the equity and credit markets, the Hospital modified its investment strategy to preserve capital and minimize stock risk. The Hospital continues to monitor the overall performance and is prepared to reallocate pension assets accordingly to meet the targeted levels of higher rates of return.

Pension Contributions

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary.

Expected 2012 employer contributions to pension plan	<u>\$ 3,599,447</u>
--	---------------------

Expected pension benefit payments by year as of December 31, 2011 are as follows

Year ending December 31	<u>Expected Benefit Payment</u>
2012	\$ 3,348,033
2013	3,575,156
2014	3,754,774
2015	4,037,336
2016	4,474,827
2017-2021	26,759,552

Postretirement Benefit Plans

Expected employer contribution to postretirement benefit plans	<u>\$ 107,091</u>
--	-------------------

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

Estimated Future Post-retirement Non-Pension Benefit Payments

Expected benefit payments (including prescription drug benefits) are as follows

	<u>Payments</u>
2012	\$ 107,091
2013	122,681
2014	127,233
2015	109,694
2016	132,165
Years 2017-2021	747,647

Additionally, an 8.5% and 7.5% annual rate of increase in the per capita cost of covered postretirement health care benefits was assumed for pre-65 and prescription trend rates, respectively, at December 31, 2011. The rate was assumed to decrease gradually each year to a rate of 5% in 2019, and remain at that level thereafter. The Hospital elected to immediately recognize 7.5% of any unrecognized gain or loss.

Any remaining amount in excess of 10%, but less than 85% of the greater of the accumulated postretirement benefit obligation or plan assets, is amortized over the average remaining service period of active plan participants. Any remaining amount in excess of 85% of the greater of the accumulated postretirement benefit obligation or plan assets is recognized immediately.

Assumed health care cost trend rates have an effect on the amounts reported for the postretirement medical benefit plan. A 1% change in assumed health care cost trend rates would have the following effects:

	<u>1-Percentage-Point Increase</u>	<u>Decrease</u>
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ 1,685	\$ (1,581)
Effect on the health care component of the accumulated postretirement benefit obligation	20,600	(19,332)

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

Approximately 78% of the Hospital's employees are members of a union. In addition, the Hospital contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers union-represented employees of the Hospital. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- a Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
- b If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- c If the Hospital were to stop participating in the multiemployer plan, the Hospital may be required to pay this plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability

The Hospital's significant participation in this plan for the year ended December 31, 2011 is outlined in the table below. The following information for the 1199 SEIU Healthcare Employees Pension Fund (the "1199 Plan") is included within the table:

- a The "EIN/Pension Plan Number" column provides the plan's Employee Identification Number ("EIN") and the three-digit plan numbers
- b The Pension Plan Protection Act of 2006 ("PPA") zone status is based on information that the Medical Center received from the plan and is certified by the plan's actuaries. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. Unless otherwise noted, the most recent PPA zone status available in 2011 and 2010 is for the plan's year-end at December 31, 2010 and 2009, respectively
- c The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented
- d The column "Surcharge Imposed" indicates whether the Hospital was required to pay a surcharge to the plan

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

10. Pension and Other Postretirement Benefit Plans (continued)

e The last column lists the expiration date of the collective bargaining agreements to which the plan is subject

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status	FIP/RP Status Pending/ Implemented	Contributions of the Hospital	Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
1199 Plan (a)	13-3604862	Green	Implemented	\$6,896,992	No	4 30 15

(a) The 1199 Plan has implemented a rehabilitation plan for the period January 1, 2012 through December 31, 2024. In addition, in July 2009 wage concessions were agreed to, as well as an increase in annual contributions from contributing members.

11. Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of gross receivables from patients and third-party payers at December 31, 2011 was as follows:

Medicaid and Medicaid pending	32%
Medicare	6
Managed Care	16
Self Pay	24
Other third-party payers	22
	<hr/>
	100%
	<hr/>

12. Commitments and Contingencies

Operating Leases

The Hospital leases various equipment and facilities under noncancelable operating leases expiring at various dates through 2013. Total rental expense in 2011 for all operating leases was approximately \$1,014,000.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

The following is a schedule of future minimum lease payments under operating leases as of December 31, 2011 that have initial or remaining lease terms in excess of one year

2012	\$ 935,869
2013	770,609
	<u>\$ 1,706,478</u>

Litigation

The Hospital is involved in litigation and regulatory investigations arising in the course of business Management estimates that these matters will be resolved without material adverse effect on the Organization's financial position or results from operations

In addition, the Department of Buildings of the City of New York issued a temporary certificate of occupancy ("TCO") for the Hospital's Ambulatory Care Center, upon completion of the construction project funded through the Series 1997 DASNY financing. The TCO for the Hospital, however, lapsed during 2008. The Hospital has retained an expeditor to assist in renewing the TCO and has submitted an application to renew the TCO. The Hospital is working to clear various administrative tasks, and anticipates its renewal, however, there is no guarantee of such renewal.

13. Related-Party Transactions

St. Barnabas Community Enterprises, Inc.

St Barnabas Community Enterprises, Inc ("Enterprises") was established during 1986 to carry on charitable, educational and scientific activities exclusively for the benefits of the Hospital. Enterprises is the sole corporate member of the Hospital, the Nursing Home, UCHC, St Barnabas Community Health Plan ("PIH") and Adams Place Holding Corporation ("APHC"). In addition, Enterprises owns one hundred percent (100%) of the outstanding shares of the Company. The general resources of Enterprises will be distributed in amounts and in periods determined by Enterprises' Board of Trustees, who may also restrict the use of the funds.

Other Corporations

The following corporations are related parties to the Hospital since Enterprises is the sole member or sole stockholder of each

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

13. Related-Party Transactions (continued)

St. Barnabas Nursing Home, doing business as St. Barnabas Rehabilitation & Continuing Care Center

The Nursing Home was incorporated on November 14, 1990 for the purpose of caring for ventilator dependent patients, those with HIV, and the elderly in a nursing facility. The 199-bed facility was opened in April 1994. The net payable balance for shared services at December 31, 2011 was \$199,317.

Union Community Health Center, Inc.

UCHC received approval from the New York State Department of Health to operate as a diagnostic and treatment center in February 2000. Since inception, the Hospital has made cash advances to UCHC to fund initial costs of operations and working capital needs. In addition, the Hospital advanced its management and staff support to UCHC under a Professional Services Agreement. Under a lease agreement, UCHC leases its main facility from the Hospital.

On January 26, 2006, Enterprises relinquished its authority to appoint members of UCHC's Board and to serve as a member of UCHC. As such, the existing members of the UCHC Board were deemed to be its decision-making authority and UCHC would operate as a stand-alone entity. Under the aforementioned professional services agreement, the Hospital carried an outstanding receivable from UCHC. On August 31, 2006, the Hospital entered into a loan agreement and promissory note with UCHC which carried a rate of prime plus 1%. Total obligations under the promissory note amounted to \$19,200,000 at December 31, 2006 which the Hospital deemed to be uncollectible, due to certain changes by NYS that reduced managed care reimbursement to UCHC. The Hospital accounted for the impairment of the receivable as an equity transfer from the Hospital to UCHC and the balance reported as of December 31, 2006 was \$0. If, in the future, funds become available and UCHC has excess operating funds available, UCHC shall make a transfer of funds back to the Hospital in an amount up to the amount of \$19,200,000.

Subsequent to December 31, 2006, the Hospital continued to extend credit to UCHC for certain operating expenses on behalf of UCHC, as well as to charge UCHC for certain shared and leased services provided. The ongoing provision of these services resulted in an outstanding receivable from UCHC and, effective November 30, 2008, the Hospital and UCHC entered into a new loan agreement that would not exceed \$16,800,000 and would carry an interest rate of prime plus 1%.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

13. Related-Party Transactions (continued)

During 2010, the Hospital provided for an additional allowance against this receivable in the amount of \$3,302,949. The outstanding note receivable is reported as non-current in the Organization's consolidated balance sheet in the amount of \$9,886,802 at December 31, 2011. The Hospital believes the amount outstanding at December 31, 2011 is collectible.

St. Barnabas Community Health Plan, doing business as Partners in Health

PIH was incorporated during 1992 for the purpose of starting a comprehensive health plan for Medicaid participants defined under Article 44 of the Public Health Law. Until 2006, the Hospital received payments and net patient service revenue from PIH relating to the provision of services to PIH enrollees. As of December 31, 2011, the balance due from PIH was \$1,223,630 relating to allocated costs and prior period funding between PIH and the Hospital. PIH ceased operations as of November 1, 2006. On January 5, 2012, the New York State Department of Financial Services formally authorized the release of PIH's escrow account for liquidation purposes, and PIH began liquidating its remaining financial obligations. On January 26, 2012, PIH repaid its outstanding obligation of \$1,223,630 to the Hospital. PIH is currently continuing its wind down procedures in order to fully liquidate its balance sheet and dissolve the corporation.

Significant related party transactions between the following entities and the Hospital during 2011 were as follows:

Nursing Home

Net payable at beginning of year	\$ 116,083
Expenses incurred by the Hospital	9,334,601
Payments to the Hospital	<u>(9,650,000)</u>
Net payable to the Nursing Home at end of year included in other receivables, current	<u>\$ (199,316)</u>

UCHC

Receivable at beginning of year	\$ 12,137,774
Expenses incurred by the Hospital	6,149,028
Payments to the Hospital	<u>(8,400,000)</u>
Receivable at end of year	<u>\$ 9,886,802</u>

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

14. Other Operating Revenue

Other operating revenue consists of the following for the year ended December 31, 2011

Grant income	\$ 3,732,161
Equity income of HF LLC	3,896,720
Electronic health records incentive payments	4,393,402
Rental income	2,881,255
Cafeteria sales	408,474
Contributions	1,362,546
Other	4,203,485
	<u>\$ 20,878,043</u>

Effective January 1, 2011, the Hospital entered into an Interest Purchase Agreement with Healthfirst Management Services, LLC (“HF LLC”) HF LLC was formed in April 1999 under the New York Limited Liability Company Act and is governed by an Operating Agreement dated January 2002 and amended in March 2010. The Hospital participates in the Healthfirst capitation risk arrangement and was offered a 4.77% membership interest for the purchase price of \$6,123,271. As outlined in the Interest Purchase Agreement, the Hospital will provide six scheduled payments to HF LLC during 2011 and through June 2012, and interest will accrue at prime plus 75 basis points.

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 Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in Federal fiscal year 2015.

St. Barnabas Hospital

Notes to Consolidated Financial Statements (continued)

14. Other Operating Revenue (continued)

The Hospital uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments Under this accounting policy, EHR incentive payment revenue is recognized when the Hospital is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received EHR incentive payment revenue from Medicaid of approximately \$4.2 million for the year ended December 31, 2011 is included in other operating revenue Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the Federal government and/or the New York State Department of Health

15. Subsequent Events

Subsequent events have been evaluated through August 6, 2012, the date the consolidated financial statements were issued Except as disclosed in Note 13, subsequent events have not occurred that require disclosure in or adjustment to the consolidated financial statements

Supplementary Information

St. Barnabas Hospital
Consolidating Balance Sheet

December 31, 2011

	St. Barnabas Hospital	Arthur Management Corporation	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,943,472	\$ 24,121	\$ —	\$ 1,967,593
Current portion of assets limited as to use	8,117,265	—	—	8,117,265
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$48,525,000 in 2011	37,910,361	—	—	37,910,361
Due from third-party payer reimbursement programs	19,963,535	—	—	19,963,535
Other receivables	4,902,541	1,250	(592,587)	4,311,204
Prepaid expenses and supplies	1,521,550	43,372	—	1,564,922
Total current assets	<u>74,358,724</u>	<u>68,743</u>	<u>(592,587)</u>	<u>73,834,880</u>
Assets limited as to use				
Externally limited				
Under malpractice funding requirements	2,292,070	—	—	2,292,070
Under financing agreements	20,095,204	13,115,431	—	33,210,635
Funds held in trust by others	17,891,880	—	—	17,891,880
Internally limited	33,746,141	—	—	33,746,141
Property, plant and equipment, net	203,422,001	11,195,361	—	214,617,362
Receivable from Union Community Health Center	9,886,802	—	—	9,886,802
Other assets	20,596,085	832,928	(3,297,214)	18,131,799
Total assets	<u>\$ 382,288,907</u>	<u>\$ 25,212,463</u>	<u>\$ (3,889,801)</u>	<u>\$ 403,611,569</u>
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 35,505,429	\$ 2,114,900	\$ (592,587)	\$ 37,027,742
Accrued salaries, wages and related expenses	21,016,246	—	—	21,016,246
Current portion of long-term debt	4,303,678	—	—	4,303,678
Due to third-party payer reimbursement programs	346,007	—	—	346,007
Total current liabilities	<u>61,171,360</u>	<u>2,114,900</u>	<u>(592,587)</u>	<u>62,693,673</u>
Long-term debt, net of current portion	70,092,489	19,800,000	—	89,892,489
Due to third-party payer reimbursement programs, net of current portion	26,924,406	—	—	26,924,406
Estimated malpractice liability, net of current portion	19,299,329	—	—	19,299,329
Accrued pension liability	35,529,861	—	—	35,529,861
Accrued postretirement benefit cost, net of current portion	1,870,299	—	—	1,870,299
Other liabilities	5,726,735	—	—	5,726,735
Total liabilities	<u>220,614,479</u>	<u>21,914,900</u>	<u>(592,587)</u>	<u>241,936,792</u>
Net assets				
Unrestricted	142,459,961	3,297,563	(3,297,214)	142,460,310
Temporarily restricted	3,617,758	—	—	3,617,758
Permanently restricted	15,596,709	—	—	15,596,709
Total net assets	<u>161,674,428</u>	<u>3,297,563</u>	<u>(3,297,214)</u>	<u>161,674,777</u>
Total liabilities and net assets	<u>\$ 382,288,907</u>	<u>\$ 25,212,463</u>	<u>\$ (3,889,801)</u>	<u>\$ 403,611,569</u>

St. Barnabas Hospital
Consolidating Statement of Operations
Year Ended December 31, 2011

	St. Barnabas Hospital	Arthur Management Corporation	Eliminations	Total
Operating revenues				
Net hospital patient service revenue	\$ 278,104,111	\$ —	\$ —	\$ 278,104,111
HIP Southern capitated health service revenue	12,609,140	—	—	12,609,140
Fordham Tremont Mental Health Clinic revenue	16,032,415	—	—	16,032,415
Other operating revenue	20,750,355	20,608	107,080	20,878,043
Net assets released from restrictions	596,448	—	—	596,448
Total operating revenues	328,092,469	20,608	107,080	328,220,157
Operating expenses				
Professional care of patients	180,149,422	—	—	180,149,422
Dietary services	5,596,319	—	—	5,596,319
Household and maintenance	19,772,930	—	—	19,772,930
Administration and general services	30,297,062	127,688	—	30,424,750
Employee health and welfare	46,338,870	—	—	46,338,870
Malpractice expense	1,972,030	—	—	1,972,030
Provision for bad debts	8,500,130	—	—	8,500,130
Interest	3,269,851	—	—	3,269,851
Depreciation, amortization and rentals	20,836,917	—	—	20,836,917
Fordham Tremont Mental Health Clinic expenses	17,183,678	—	—	17,183,678
Total operating expenses	333,917,209	127,688	—	334,044,897
Operating loss	(5,824,740)	(107,080)	107,080	(5,824,740)
Investment income	1,691,183	—	—	1,691,183
Deficiency of revenues over expenses	(4,133,557)	(107,080)	107,080	(4,133,557)
Change in pension and postretirement benefits liability to be recognized in future periods	(12,176,202)	—	—	(12,176,202)
Decrease in unrestricted net assets	\$ (16,309,759)	\$ (107,080)	\$ 107,080	\$ (16,309,759)

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 152,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity.

Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.

Additional Data

Software ID:
Software Version:
EIN: 13-1740122
Name: ST BARNABAS HOSPITAL

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
MILDRED ALLEN PhD BOARD MEMBER	1 0	X					0	0	0
HON JOHN A BARONE BOARD MEMBER	1 0	X					0	0	0
ELIZABETH BARTLETT SR VICE CHAIRMAN	1 0	X					0	0	0
MAUREEN D DONOVAN ESQ VICE CHAIRMAN	1 0	X					0	0	0
HELEN FOSTER BOARD MEMBER	1 0	X					0	0	0
DAVID HARRIS BOARD MEMBER	1 0	X					0	0	0
THOMAS HUGHES BOARD MEMBER	1 0	X					0	0	0
CAROLYN JONES BOARD MEMBER	1 0	X					0	0	0
JOHN J LORDAN BOARD MEMBER	1 0	X					0	0	0
JOHN MCKEW BOARD MEMBER	1 0	X					0	0	0
ANDREW MEZEY MD BOARD MEMBER	1 0	X					0	0	0
CHARLES MOERDLER ESQ BOARD MEMBER	1 0	X					0	0	0
GROVER O'NEIL JR BOARD MEMBER	1 0	X					0	0	0
WENDY RODRIGUEZ BOARD MEMBER	1 0	X					0	0	0
HOWARD SAFIR BOARD MEMBER	1 0	X					0	0	0
ELIZABETH SANCHEZ LCSW SECRETARY	1 0	X					0	0	0
THEODORE SPEVACK DO BOARD MEMBER	1 0	X					0	0	0
JOHN TOGNINO VICE CHAIRMAN	1 0	X					0	0	0
BARRY WINTNER CFA BOARD MEMBER	1 0	X					0	0	0
VICTOR WRIGHT CHAIRMAN	1 0	X					0	0	0
SCOTT COOPER MD PRESIDENT	47 5		X				713,225	37,538	13,438
LEONARD WALSH CHIEF OPERATING OFFICER	47 5		X				484,744	25,313	11,606
NOAH CALDWELL SR VICE PRESIDENT	49 0		X				450,564	9,195	14,168
PATRICIA S BELAIR SR VICE PRESIDENT	50 0		X				295,716	0	12,777
CATHERINE GRAHAM SR VICE PRESIDENT	45 0		X				231,131	25,681	14,059

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
KEITH D WOLF SR VICE PRESIDENT	45 0			X			282,639	31,404	9,630
JERRY R BALENTINE MD CHIEF MEDICAL OFFICER	50 0			X			468,568	0	10,523
PATRICIA CUNNINGHAM SR VICE PRESIDENT	47 5			X			201,117	10,585	12,645
JOHN DIGIROLIMO SR VICE PRESIDENT	50 0			X			190,400	0	10,047
MARTHA SULLIVAN EXECUTIVE DIRECTOR	50 0			X			166,181	0	10,003
TODD GORLEWSKI SR VICE PRESIDENT / CFO	45 0			X			287,176	32,992	9,749
DAVID PERLSTEIN MEDICAL DIRECTOR	50 0				X		344,060	0	9,968
JITENDRA BARMECHA DIR MED CASE MGMT	50 0				X		333,826	0	9,802
TAMARA ERLIKH ATTEND MEDICINE	50 0					X	235,611	0	10,627
BRAULIO ARISMENDY CARRERO ATTEND MEDICINE	50 0					X	241,147	0	10,648
KAREN J GREER DIR AMBULATORY PEDS	50 0					X	228,965	0	8,803
DORA RESEBERG DIR DENTISTRY	50 0					X	245,134	0	9,635
BHAWESH PATEL ATTEND MEDICINE	50 0					X	226,157	0	9,560