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Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

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

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

A For the 2011 calendar year, or tax year beginning , 2011, and ending , 20	
B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization Cayuga Medical Center Foundation
	Doing Business As
	Number and street (or P O box if mail is not delivered to street address) Room/suite 101 Dates Drive
	City or town, state or country, and ZIP + 4 Ithaca, NY 14850
	F Name and address of principal officer John B. Rudd, Assistant Treasurer 101 Dates Drive, Ithaca, NY 14850
D Employer identification number 16-1072414	E Telephone number 607-274-4443
G Gross receipts \$ 1229983	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527	J Website ▶ N/A
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	L Year of formation 1889 M State of legal domicile NY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: To provide assistance to Cayuga Medical Center so as to provide health and welfare mainly thru fund raising, investing activities, funding for capital equipment, and providing education scholarships relating to the Health Care field
	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 9
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 9
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 5 0
	6 Total number of volunteers (estimate if necessary) 6 35
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0
b Net unrelated business taxable income from Form 990-T, line 34 7b 0	
Revenue	8 Contributions and grants (Part VIII, line 1h) 10135 50
	9 Program service revenue (Part VIII, line 2g) 0 0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 19676 78005
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0 0
	12 Total revenue--add lines 8 through 11 (must equal Part VIII, column (A), line 12) 29811 78055
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 16000 255523
	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) 0 0
	16a Professional fundraising fees (Part IX, column (A), line 11) 0 0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0 0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 233042 174995
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 249042 430518
19 Revenue less expenses. Subtract line 18 from line 12 -219231 -352463	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 11161561 10261906
	21 Total liabilities (Part X, line 26) 6006061 5732012
	22 Net assets or fund balances Subtract line 21 from line 20 5155500 4529894

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 or which preparer has any knowledge.

Sign Here	Signature of officer <i>[Signature]</i>	Date 6/25/12			
	Type or print name and title Larry F. Baur President				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no			
	May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No				

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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.
To provide funds to or for the benefit of Cayuga Medical Center at Ithaca, so as to promote the health and welfare of the Community
by soliciting, accepting, holding, investing, and reinvesting gifts, grants, bequests, contributions, devices, benefits or trusts,
endowments and property of any kind, without limitation as to the amount or value.
- 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 \$ 255,523 including grants of \$ _____) (Revenue \$ _____)
Health Education assistance provides funds to assist individuals to obtain education in the Health Care field
See Attachment

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

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

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

4e Total program service expenses **▶** 255,523

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 ✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	✓
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	✓
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	✓
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	✓
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 ✓	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	✓
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b ✓	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	✓
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	✓
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e ✓	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	✓
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a ✓	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	✓
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14 a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	✓
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	✓
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	✓
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	✓
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	✓
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21 ✓	
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 ✓	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	✓
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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	✓
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? <i>If "Yes," complete Schedule L, Part I</i>	25a	✓
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? <i>If "Yes," complete Schedule L, Part I</i>	25b	✓
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? <i>If "Yes," complete Schedule L, Part II</i>	26	✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	✓
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	✓
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	✓
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? <i>If "Yes," complete Schedule R, Part I</i>	33	✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34 ✓	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✓
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	✓
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	✓
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? <i>If "Yes," complete Schedule R, Part VI</i>	37	✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38 ✓	

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

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

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. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 9		
b Enter the number of voting members included in line 1a, above, who are independent	1b 9		
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		☒
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		☒
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		☒
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		☒
6 Did the organization have members or stockholders?	6		☒
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		☒
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		☒
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.			
a The governing body?	8a	☒	
b Each committee with authority to act on behalf of the governing body?	8b	☒	
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		☒

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	☒
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	☒
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	☒
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	☒
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	☒
13 Did the organization have a written whistleblower policy?	13	☒
14 Did the organization have a written document retention and destruction policy?	14	☒
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	
b Other officers or key employees of the organization	15b	
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	☒
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 ► NYS

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► John B. Rudd, Cayuga Medical Center, 101 Dates Drive, Ithaca, NY 14850 607-274-4443

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Larry Baum President	1	✓		✓				0	0	0
(2) Brian McAree Vice President	0.5	✓		✓				0	0	0
(3) Tom LiVigne Treasurer	0.5	✓		✓				0	0	0
(4) John Conners Secretary	0.5	✓		✓				0	0	0
(5) Percy Browning Trustee	0.5	✓						0	0	0
(6) Roy Dexheimer Trustee	0.5	✓						0	0	0
(7) William Highland Trustee	0.5	✓						0	0	0
(8) Luminita Marinescu, MD Trustee	0.5	✓						0	0	0
(9) Rev. Nathaniel Wright Trustee	0.5	✓						0	0	0
(10)										
(11)										
(12)										
(13)										
(14)										

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total								0	0	0
c Total from continuation sheets to Part VII, Section A								0	0	0
d Total (add lines 1b and 1c)								0	0	0

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 **0**

	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		✓
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		✓
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		✓

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
Cayuga Medical Center, 101 Dates Drive, Ithaca, NY 14850	Fund Raising	145,195
Cayuga Medical Center, 101 Dates Drive, Ithaca, NY 14850	Acctg and Admin	31,484
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 1		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	50			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶		50			
Program Service Revenue	2a	Business Code					
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶		0			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		35,970		
4		Income from investment of tax-exempt bond proceeds ▶					
5		Royalties ▶					
		(i) Real	(ii) Personal				
6a		Gross rents					
b		Less: rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss) ▶					
7a		(i) Securities	(ii) Other				
		Gross amount from sales of assets other than inventory		1,193,963			
b		Less: cost or other basis and sales expenses		1,151,928			
c		Gain or (loss)		42,035			
d		Net gain or (loss) ▶		42,035			42,035
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a					
b		Less: direct expenses b					
c		Net income or (loss) from fundraising events ▶					
9a		Gross income from gaming activities See Part IV, line 19 a					
b		Less: direct expenses b					
c		Net income or (loss) from gaming activities ▶					
10a		Gross sales of inventory, less returns and allowances a					
b	Less: cost of goods sold b						
c	Net income or (loss) from sales of inventory ▶						
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶						
12	Total revenue. See instructions. ▶		78,055			78,005	

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	7,500	7,500		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	248,023	248,023		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	31,484		31,484	
b Legal				
c Accounting	9,024		9,024	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	768		768	
g Other	156,353		11,158	145,195
12 Advertising and promotion				
13 Office expenses				
14 Information technology	5,297		5,297	
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	0		0	
23 Insurance	132		132	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Provision for Bad Debt	-28,848		-28,848	
b Filing Fees	785		785	
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	430,518	255,523	29,800	145,195
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	30,748	1	23,802
	2 Savings and temporary cash investments	224,397	2	408,461
	3 Pledges and grants receivable, net	89,676	3	39,973
	4 Accounts receivable, net	190,263	4	103,718
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	2,700	9	2,607
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments—publicly traded securities	3,459,527	11	2,854,421
	12 Investments—other securities. See Part IV, line 11	7,164,250	12	6,828,924
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	11,161,561	16	10,261,906	
Liabilities	17 Accounts payable and accrued expenses	39,628	17	41,649
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	5,966,433	25	5,690,363
	26 Total liabilities. Add lines 17 through 25	6,006,061	26	5,732,012
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,319,307	27	702,258
	28 Temporarily restricted net assets	61,277	28	52,720
	29 Permanently restricted net assets	3,774,916	29	3,774,916
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	5,155,500	33	4,529,894
	34 Total liabilities and net assets/fund balances	11,161,561	34	10,261,906

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	78,055
2	Total expenses (must equal Part IX, column (A), line 25)	2	430,518
3	Revenue less expenses. Subtract line 2 from line 1	3	-352,463
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,155,500
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-273,143
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	4,529,894

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: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		☒
b Were the organization's financial statements audited by an independent accountant?	☒	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	☒	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		☒
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		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

Cayuga Medical Center Foundation

Employer identification number

16-1072414

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I b ☐ Type II c ☒ Type III—Functionally integrated d ☐ Type III—Other
 - e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	Yes No
11g(i)	✓ ✓
(ii) A family member of a person described in (i) above?	Yes No
11g(ii)	✓ ✓
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	Yes No
11g(iii)	✓ ✓
 - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A) Cayuga Medical Center at Ithaca	22-2325405	3-Hospital	✓		✓		✓		400,718
(B)									
(C)									
(D)									
(E)									
Total									400,718

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
b 33 1/3% support test—2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		☐
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		☐
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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 section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Part 1, Line 11h - \$255,523 was provided in support of program services, and \$145,195 was provided for fund raising activities in support of Cayuga Medical Center.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

Cayuga Medical Center Foundation

Employer identification number

16-1072414

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No		

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

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

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

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

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

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

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

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

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

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

- a** ☐ Public exhibition
b ☐ Scholarly research

- d** ☐ Loan or exchange programs
e ☐ Other

c ☐ 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:

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

	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	3,836,193	3,825,169	3,799,423	3,797,896	
b Contributions	0	0	-3,000	8,555	
c Net investment earnings, gains, and losses	-5,785	17,180	30,852	-4,719	
d Grants or scholarships					
e Other expenditures for facilities and programs	2,772	6,156	2,106	2,309	
f Administrative expenses					
g End of year balance	3,827,636	3,836,193	3,825,169	3,799,423	

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

- a** Board designated or quasi-endowment ☐ 0 %
b Permanent endowment ☒ 98.6 %
c Temporarily restricted endowment ☐ 1.4 %

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

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

- (i) unrelated organizations
(ii) related organizations

	Yes	No
3a(i)	☒	☐
3a(ii)	☐	☒
3b		

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

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

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Mutual Funds	3,200,549	Market Value
(B) Accrued Interest Receivable	6,593	Market Value
(C) Accrued Dividends Receivable	10,842	Market Value
(D) Funds Held in Trust by Others	3,610,940	Market Value
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	6,828,924	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

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

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

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Payable to Durham Trust	1,442,432
(3) Payable to Cayuga Medical Center	4,247,931
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	5,690,363

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	78,055
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	430,518
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-352,463
4	Net unrealized gains (losses) on investments	4	-273,142
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 through 8	9	-273,142
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-625,605

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	-195,088
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-273,143
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	-273,143
3	Subtract line 2e from line 1	3	78,055
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 must equal Form 990, Part I, line 12.)	5	78,055

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

1	Total expenses and losses per audited financial statements	1	430,518
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	430,518
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VII, 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 must equal Form 990, Part I, line 18.)	5	430,518

Part XIV Supplemental Information

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

Part V - There are 5 permanent endowments. Two are intended to generate income for charity medical care.

One is intended to generate income for health education for young women.

One is intended to generate funds for health education scholarships.

The fifth is intended to generate funds for the unrestricted support of Cayuga Medical Center.

There are 5 temporarily restricted endowments.

Four are related to the first 4 permanent endowments listed above.

The other is for general education scholarships.

Part XIV Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization

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

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

▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

Cayuga Medical Center Foundation

Employer identification number

16-1072414

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Part II can be duplicated if additional space is needed ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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) Cayuga Medical Center			7,500				Education Assistance
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	1
3	Enter total number of other organizations listed in the line 1 table	0

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

Cat. No. 50055P

Schedule I (Form 990) (2011)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 College Scholarships @ \$2,500 each	5	12,500			
2 Scholarships to BOCES students @ \$500 each	2	1,000			
3 Scholarship loans forgiven @ various amounts	78	234,523			
4					
5					
6					
7					

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

Part 1 Line 2

1) College scholarships of \$2,500/each to graduating high school seniors. High school recipients receive partial scholarship payment after successful completion of the fall semester and

the remainder at the completion of the spring semester. Academic performance must be C or better for payment.

2) Scholarships of \$500/each to BOCES students. No conditions are required.

3) Education loans which are converted to scholarships (forgiven) upon qualifying circumstances. These are not grants until they are "forgiven". Employees of Cayuga Medical Center

who desire support for continuing educational assistance submit a scholarship application to the CMC Foundation. The Foundation evaluates the candidate, educational request, and

makes a determination. For those applicants approved, the medical center tracks the candidates' academic performance requiring submission of the employee's grades at the end of each

semester. An applicant must complete one year of service for each year of scholarship. If an applicant terminates employment at Cayuga Medical Center prior to completing one year of

service for each year of scholarship, then the Foundation requires repayment of the scholarship on a pro rated basis.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

Cayuga Medical Center Foundation

Employer identification number

16-1072414

Form 990 Part VI Section B Line 11 - The Form 990 is first reviewed by an independent auditing firm, and then it is presented to the Board of Directors for review and approval.

Form 990 Part VI Section B Line 12c - The organization requires each officer, director, and trustee to complete and sign a new conflict of interest form each year.

Form 990 Part VI Section C Line 19 - The organization makes its governing documents, conflict of interest policy, and financial statements available to the public upon written request.

Form 990 Part IV Line 17 - The Foundation contracts with the Cayuga Medical Center for fund raising services. The Cayuga Medical Center is not a professional fund raiser. Employees of the Cayuga Medical Center conduct fund raising activities for the Foundation. The Foundation paid the Cayuga Medical Center \$145,195 for this service.

Form 990 Part IX Line 11g includes \$145,195 for fund raising services as stated above.

Form 990 Part XI Line 5 is unrealized gains/(losses).

Employer identification number

[illegible]

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Cayuga Medical Center Foundation

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

**Open to Public
Inspection**

Employer identification number
16-1072414

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

(1)	(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
(2)						
(3)						
(4)						
(5)						
(6)						

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

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(2)	(1) Cayuga Medical Center at Ithaca EIN 22-2325495 101 Dates Drive, Ithaca, NY 14850	Hospital	NYS	501(c)(3)	170(b)(1)(A)(iii) N/A		Yes No ✓
(3)							
(4)							
(5)							
(6)							
(7)							

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

Cat No 50135Y

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to 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 of this schedule.

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

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
Cayuga Medical Center at Ithaca (1)	L	145,195	Cash
Cayuga Medical Center at Ithaca (2)	O	31,484	Cash
Cayuga Medical Center at Ithaca (3)	Q	465,000	Cash
Cayuga Medica Center at Ithaca (4)	R	64,461	Cash
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

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

[illegible]

**FINANCIAL STATEMENTS FOR
CAYUGA MEDICAL CENTER FOUNDATION
FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

SCIARABBA WALKER & CO LLP

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

March 7, 2012

Cayuga Medical Center Foundation
101 Dates Drive
Ithaca, New York 14850

We have audited the accompanying statements of financial position of Cayuga Medical Center Foundation as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cayuga Medical Center Foundation at December 31, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Sciarabba Walker & Co. LLP

Sciarabba Walker & Co., LLP

200 East Buffalo Street, Suite 402
Ithaca, New York 14850
607-272-5550 / 607-273-6357 (Fax)

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CAYUGA MEDICAL CENTER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and cash equivalents	\$ 432,263	\$ 255,145
Pledges receivable	39,973	89,676
Student loans receivable, net of allowance for doubtful accounts of \$34,574 and \$63,422	103,718	190,263
Investments	6,072,405	6,895,609
Other assets	2,607	2,700
Funds held in trust by others	3,610,940	3,728,168
TOTAL ASSETS	<u><u>\$ 10,261,906</u></u>	<u><u>\$ 11,161,561</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accrued liabilities	\$ 41,649	\$ 39,628
Payable to Durham Trust	1,442,432	1,502,423
Payable to Cayuga Medical Center	4,247,931	4,464,010
TOTAL LIABILITIES	<u>5,732,012</u>	<u>6,006,061</u>
NET ASSETS:		
Unrestricted	702,258	1,319,307
Temporarily restricted	52,720	61,277
Permanently restricted	3,774,916	3,774,916
TOTAL NET ASSETS	<u>4,529,894</u>	<u>5,155,500</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,261,906</u></u>	<u><u>\$ 11,161,561</u></u>

See accompanying notes.

CAYUGA MEDICAL CENTER FOUNDATION
STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

	<u>2011</u>	<u>2010</u>
UNRESTRICTED NET ASSETS:		
Revenues, Gains, and Other Support:		
Contributions	\$ 50	\$ 10,135
Interest and dividends	31,954	27,670
Realized gain (loss) on sale of securities	39,225	(11,444)
Unrealized (loss) gain on investments	(260,532)	407,811
Net assets released from restriction	<u>2,772</u>	<u>6,158</u>
Total Revenues, Gains, and Other Support	(186,531)	440,330
Expenses:		
Fundraising	145,195	142,666
Scholarships and assistance	255,523	16,000
Administrative	58,648	58,414
Provision for bad debts	(28,848)	31,964
Total Expenses	<u>430,518</u>	<u>249,044</u>
CHANGES IN UNRESTRICTED NET ASSETS	(617,049)	191,286
TEMPORARILY RESTRICTED NET ASSETS:		
Interest and dividends	4,016	2,332
Realized gain on sale of securities	2,810	1,118
Unrealized (loss) gain on investments	(12,611)	13,732
Net assets released from restriction	<u>(2,772)</u>	<u>(6,158)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	<u>(8,557)</u>	<u>11,024</u>
CHANGES IN NET ASSETS	(625,606)	202,310
NET ASSETS, beginning of year	<u>5,155,500</u>	<u>4,953,190</u>
NET ASSETS, end of year	<u><u>\$ 4,529,894</u></u>	<u><u>\$ 5,155,500</u></u>

See accompanying notes.

CAYUGA MEDICAL CENTER FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (625,606)	\$ 202,310
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Net realized and unrealized losses (gains) on investments and funds held in trust:	231,108	(411,217)
Provision for bad debts	(28,848)	31,964
Changes in pledges receivable	49,703	16,720
Changes in student loans receivable	115,393	(127,855)
Changes in other assets	93	93
Changes in accrued liabilities	2,021	(27,707)
Changes in payable to Cayuga Medical Center	(216,079)	408,340
Changes in payable to Durham Trust	(59,991)	187,621
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(532,206)</u>	<u>280,269</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in investments, net	<u>709,324</u>	<u>(552,087)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>709,324</u>	<u>(552,087)</u>
NET CHANGE IN CASH	177,118	(271,818)
CASH AND CASH EQUIVALENTS, beginning of year	<u>255,145</u>	<u>526,963</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 432,263</u></u>	<u><u>\$ 255,145</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$ -	\$ -
Taxes	-	-

See accompanying notes.

CAYUGA MEDICAL CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization:

The Cayuga Medical Center Foundation (the Foundation) is a not-for-profit organization located in Ithaca, New York. The Foundation solicits, accepts, holds, invests and administers gifts, grants, bequests, contributions, devices, benefits or trust endowments and property of any kind for the benefit of Cayuga Medical Center at Ithaca (the Medical Center) and others by using, disbursing or paying the income or principal thereof exclusively for the foregoing purposes or in the advancement thereof.

2. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Basis of Accounting:

The financial statements of the Cayuga Medical Center Foundation have been prepared on the accrual basis. Consequently, revenue is recognized when earned rather than when received and expenditures are recorded when incurred rather than when paid.

4. Risks and Uncertainties:

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Foundation.

5. Income Taxes:

The Foundation is exempt from income taxes as a non-profit organization under Internal Revenue Code Section 501(c)(3).

The Foundation accounts for income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740-10 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. With few exceptions, the Foundation is no longer subject to U.S. federal, state, or local income tax examinations by tax authorities for years before 2008.

6. Cash and Cash Equivalents:

The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

7. Pledges:

Pledges are derived from employee and community support. Amounts are recorded at the time the pledge is made, at the present value of the expected future contribution.

8. Investments:

Investments are recorded at fair value, based on quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Interest, dividends, realized gains and changes in fair value resulting from unrealized gains and losses are included as increases or decreases in unrestricted net assets unless the income is restricted by donor or law.

9. Payable to Durham Trust:

Payable to Durham Trust represents a revocable trust with an agreement dated October 2000 for an initial term of three years. The agreement is automatically renewed for successive three year terms unless either party gives written notice of termination at least one year prior to the expiration of a term. Should the trust be revoked, the amount due to the donor is the fair value of the investments at that time. The investments are recorded at fair value and are commingled in the Foundation portfolio. The interest income earned from the Durham Trust must be re-invested into the Trust until a predetermined return has been met.

10. Payable to Cayuga Medical Center:

As a result of the Medical Center having an economic interest in a portion of the Foundation's net assets, the Medical Center has recognized its interest in net assets of the Foundation and the Foundation has recognized a liability to the Medical Center.

11. Funds Held in Trust by Others:

Funds held in trust by others represent investments associated with Franklin Cornell, Annie Stewart and Katherine R. Spinney trusts which are held in perpetuity. The interest income earned from the Cornell trust is for general operating purposes of the Medical Center and is recorded as payable to Cayuga Medical Center. The interest income from the Stewart and Spinney trusts is for donor restricted purposes of the Medical Center and has been recorded as payable to Cayuga Medical Center. Funds held in trust by others are recognized at the estimated fair value of the assets which approximates the present value of the future cash flows when the irrevocable trust is established or the Foundation is notified of its existence.

12. Financial Statement Presentation:

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

13. Revenue Recognition:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

B. INVESTMENTS:

Investments are recorded at fair market value.

The Foundation's investments had unrealized (depreciation) appreciation of \$(28,014) and \$546,420 on December 31, 2011 and 2010, respectively. The cost and fair value of the Foundation's investments are as follows:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Marketable equity securities	\$ 1,895,585	\$ 2,017,964	\$ 2,243,897	\$ 2,648,679
Mutual funds	3,369,040	3,200,549	3,290,671	3,422,128
Gov & agency obligations	835,794	853,892	814,621	824,802
	<u>\$ 6,100,419</u>	<u>\$ 6,072,405</u>	<u>\$ 6,349,189</u>	<u>\$ 6,895,609</u>
	2011	2010		
Interest and dividends	\$ 35,970	\$ 30,002		
Gain (Loss) on sale of securities	42,035	(10,326)		
Change in unrealized loss/gain	<u>(273,143)</u>	<u>421,543</u>		
	<u>\$ (195,138)</u>	<u>\$ 441,219</u>		

C. FUNDS HELD IN TRUST:

The composition of the investments associated with the funds held in trust at fair market value at December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Cash & cash equivalents	\$ 67,973	\$ 51,202
Gov & agency obligations	743,701	783,800
Corp obligations	683,752	574,027
Mutual funds	1,393,139	1,073,339
Marketable equity securities	693,220	1,229,755
Accrued income	<u>29,155</u>	<u>16,045</u>
Funds held in trust by others	<u>\$ 3,610,940</u>	<u>\$ 3,728,168</u>

D. PAYABLE TO CAYUGA MEDICAL CENTER:

Payable to Cayuga Medical Center represents certain assets the Foundation holds in the name of the Medical Center. The following is the amount recognized at December 31.

	<u>2011</u>	<u>2010</u>
BALANCE AT JANUARY 1	\$ 4,464,010	\$ 4,055,670
Contributions	331,723	275,094
Investment income	338,531	142,300
Unrealized gain (loss) on securities	(344,846)	497,596
Uncollectible write-off	(27,379)	-
Expenses - investment Fees	(47,462)	(45,298)
Transfer to Cayuga Medical Center	<u>(466,646)</u>	<u>(461,352)</u>
BALANCE AT DECEMBER 31	<u>\$ 4,247,931</u>	<u>\$ 4,464,010</u>

E. RESTRICTIONS ON NET ASSETS:

Temporarily restricted net assets are available for the following purposes or periods at December 31.

	<u>2011</u>	<u>2010</u>
Healthcare assistance	\$ 42,404	\$ 50,968
Health ed assistance	10,316	10,309
	<u>\$ 52,720</u>	<u>\$ 61,277</u>

Purpose restrictions accomplished:

Healthcare assistance	\$ 852	\$ 4,043
Other	1,920	2,115
	<u>\$ 2,772</u>	<u>\$ 6,158</u>

Permanently restricted net assets are restricted to investments to be held in perpetuity or in trust by others, certain of the income from which is expendable to purchase equipment, support education, provide healthcare financial assistance and general unrestricted use.

F. RELATED PARTY TRANSACTIONS:

The Foundation has agreements with Cayuga Medical Center for administrative, accounting and fundraising services. Total fees paid during 2011 and 2010 were \$176,679 and \$172,651, respectively.

G. CONCENTRATION OF CREDIT RISK:

During the year the Foundation will have bank deposits in excess of the FDIC insured limits.

H. ENDOWMENT:

An endowment fund is an established fund of cash, securities, or other assets that provides income for the support of a not-for-profit organization. Endowment funds are generally established by donor restricted gifts but can also be established by an organization's governing board. A donor can stipulate that a gift is to be invested in perpetuity or for a specified term. The net assets of an endowment fund can result from three sources: original principal, gains and losses, or interest and dividends. When classifying the net assets of an endowment fund, each source must be evaluated separately. Each source is unrestricted unless its use is restricted-temporarily or permanently by donor law.

Cayuga Medical Center Foundation's permanently restricted endowment consists of five individual funds: Young Women's Healthcare Education Assistance Fund, C.B. Howell Health Education Fund, Spinney Fund for Charity Care (Held by Others), Cornell Fund for Unrestricted Purposes (Held by Others), and Stewart Fund for Charity Care (Held by Others).

The permanently restricted funds were established by a donors' restriction that the gift's principal be invested in perpetuity. No donor restrictions have been placed on the investment returns of the Cornell Fund. Investment returns of all the other funds are restricted by the donor for specific purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of Cayuga Medical Center Foundation has interpreted and complied with the New York Prudent Management Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Cayuga Medical Center Foundation 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, and (c) accumulations to the

permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with applicable state law and the Foundation's investment policy, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Cayuga Medical Center Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

Endowment Net Asset Composition by Type of fund as of December 31, 2011

	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 3,774,916	\$ 3,774,916
Total funds	<u>\$ 3,774,916</u>	<u>\$ 3,774,916</u>

Description and Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowment Only)

	<u>2011</u>	<u>2010</u>
Permanently Restricted Net Assets		
The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	<u>\$ 3,774,916</u>	<u>\$ 3,774,916</u>
Total endowment funds classified as permanently restricted net assets	<u>\$ 3,774,916</u>	<u>\$ 3,774,916</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2011 and 2010.

Return Objectives and Risk Parameters

Cayuga Medical Center Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide for the long-term well being of the Foundation. The goal is to exceed the benchmarks set for each type of investment, as applicable.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Cayuga Medical Center Foundation 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 Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Cayuga Medical Center Foundation has a policy of budgeting and appropriating funds for distribution each year during the adoption of their annual budget. In determining annual distributions, the Foundation considers the long-term expected return on its endowment, and maintains a minimum amount to allow for a diversified portfolio and asset allocation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

I. FAIR VALUE MEASUREMENTS:

Accounting Standards Codification (ASC) 820 established a three-tier hierarchy for fair value measurements, which prioritizes the inputs used in measuring fair value as follows.

- Level 1 – observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 – inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 – unobservable inputs in which there is little or no market data, which would require the Foundation to develop its own assumptions.

As of December 31, 2011, the Foundation held certain assets and liabilities that were measured at fair value on a recurring basis. The fair value of investments and funds held in trust, payable to Durham Trust and Cayuga Medical Center, are obtained from readily available market prices. Fair value for the promises to give is determined by calculating the present value of the future distributions expected to be received, using a 6% discount rate. Amounts pledged that are less than \$100,000 are measured in the aggregate using present value techniques that consider historical trends of collection, the type of donor (individual or corporation/foundation) and general economic conditions in the geographic area in which the majority of the donor's live.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
ASSETS:				
Investments	\$ 6,072,405	\$ 6,072,405	\$ -	\$ -
Pledges receivable	39,973	-	-	39,973
Funds held in trust	3,610,940	3,610,940	-	-
LIABILITIES:				
Payable to Durham Trust	\$ 1,442,432	\$ 1,442,432	\$ -	\$ -
Payable to Cayuga Medical Center	4,247,931	4,247,931	-	-

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Pledges receivable.

December 31, 2010	\$ 89,676
New pledges received	25,912
Collections	<u>75,615</u>
December 31, 2011	<u>\$ 39,973</u>

J. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 7, 2012, which is the date the financial statements are available to be issued.