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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
CAYUGA MEDICAL CENTER AT ITHACA

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

D Employer identification number
22-2325405

E Telephone number
(607) 274-4441

G Gross receipts $ 169,309,227

F Name and address of principal officer
D ROB MACKENZIE
101 DATES DRIVE
ITHACA, NY 14850

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW CAYUGAMED ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1981 | **M** State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO DELIVER THE HIGHEST QUALITY HEALTHCARE IN PARTNERSHIP WITH OUR COMMUNITY, ONE PERSON AT A TIME

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**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,399
6	Total number of volunteers (estimate if necessary)	**6**	137
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	661,371
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	240,218

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	538,728	584,390
	9 Program service revenue (Part VIII, line 2g)	130,362,779	161,097,496
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,256,209	6,520,632
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	805,511	1,028,910
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	136,963,227	169,231,428
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	10,101	7,350
	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)	66,125,152	75,044,444
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	62,781,945	76,966,678
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	128,917,198	152,018,472
	19 Revenue less expenses Subtract line 18 from line 12	8,046,029	17,212,956

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	253,694,380	259,973,185
	21 Total liabilities (Part X, line 26)	79,419,931	93,373,916
	22 Net assets or fund balances Subtract line 21 from line 20	174,274,449	166,599,269

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2012-11-13
Signature of officer | Date

D ROBERT MACKENZIE PRESIDENT/CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 | EIN ▶ | Phone no ▶

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TO DELIVER THE HIGHEST QUALITY HEALTHCARE IN PARTNERSHIP WITH OUR COMMUNITY, ONE PERSON AT A TIME

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 $ 109,265,487 including grants of $ 6,350) (Revenue $ 161,650,243)

PATIENT SERVICE - GENERAL INPATIENT AND OUTPATIENT HOSPITAL CARE SERVICES ARE PROVIDED TO THOSE IN NEED REGARDLESS OF THE PATIENTS ABILITY TO PAY, RACE, CREED, NATIONAL ORIGIN, LIFE CIRCUMSTANCES, OR DISEASE CAYUGA MEDICAL CENTER WORKS CLOSELY WITH THE COMMUNITY TO DETERMINE HEALTH NEEDS AND TO SUPPORT THE DEVELOPMENT OF PROGRAMS AND SERVICES THAT IMPROVE THE HEALTH STATUS OF THE COMMUNITY

4b (Code) (Expenses $ 1,000 including grants of $ 1,000) (Revenue $ 0)

A HEALTH CAREER SCHOLARSHIP AWARDED TO STUDENTS PURSUING A HEALTHCARE DEGREE TWO PARTICIPANTS IN 2011

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** ▶ $ 109,266,487

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
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		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
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		No
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		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	195		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,399			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
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**		No
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**		No
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**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
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		No
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		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

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

JOHN B COLLETT VPCFO
101 DATES DRIVE
ITHACA, NY 14850
(607) 274-4441

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

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

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

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

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

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(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) D ROBERT MACKENZIE MD PRESIDENT/CEO	40 00	X		X				459,595	0	18,472
(2) JOHN B RUDD SR VP/CFO	40 00			X				313,413	0	18,472
(3) JEFFREY SNEDEKER MD CHAIR	1 00	X		X				0	0	0
(4) THOMAS LIVIGNE VICE CHAIR	1 00	X		X				0	0	0
(5) JAMES BROWN SECRETARY	1 00	X		X				0	0	0
(6) NOEL DESCH TREASURER	1 00	X		X				0	0	0
(7) JACQUELINE BANGS DIRECTOR	1 00	X						0	0	0
(8) PETER BARDAGLIO PHD DIRECTOR	1 00	X						0	0	0
(9) THOMAS BRUCE DIRECTOR	1 00	X						0	0	0
(10) TONY EISENHUT DIRECTOR	1 00	X						0	0	0
(11) GARY FERGUSON DIRECTOR	1 00	X						0	0	0
(12) DAMMI HERATH PHD DIRECTOR	1 00	X						0	0	0
(13) SAMI HUSSEINI MD DIRECTOR	1 00	X						0	0	0
(14) BONITA LINDBERG DIRECTOR	1 00	X						0	0	0
(15) BRIAN MCAREE DIRECTOR	1 00	X						0	0	0
(16) JEAN MCPHEETERS DIRECTOR	1 00	X						0	0	0
(17) JOHN NEUMAN DIRECTOR	1 00	X						0	0	0

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			
(18) TIMOTHY BAEL MD ONCOLOGIST	40 00					X		449,615	0	22,466
(19) CHARLES GARBO MD ONCOLOGIST	40 00					X		439,810	0	20,297
(20) AUGUSTE DUPLAN MD ADOL PSYCHIATRIST	40 00					X		259,649	0	25,580
(21) SRISATISH DEVAPATLA MD NEONATOLOGIST	40 00					X		247,858	0	25,616
(22) DAVID EVELYN MD MEDICAL DIRECTOR/V P	40 00					X		301,426	0	18,472

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,471,366	0	149,375

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 ▶ 7

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
THE PIKE COMPANY ONE CIRCLE STREET ROCHESTER, NY 14607	CONSTRUCTION SERVICES	2,965,532
CAYUGA ANESTHESIA ASSOCIATES PLLC PO BOX 366 ITHACA, NY 14850	ANESTHESIOLOGY SERVICES	1,916,408
INSIGHT HEALTH CORP PO BOX 847689 DALLAS, TX 75284	RADIOLOGY SERVICES	1,815,606
HOFFMAN O'BRIEN LOOK TAUBE & CHIANG 217 N AURORA STREET ITHACA, NY 14850	ARCHITECTURAL SERVICES	1,666,316
HEALTHCARE SERVICES MANAGEMENT 1 BATTERMARCH PARK SUITE 311 QUINCY, MA 02169	CONSULTING SERVICES	1,578,750

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

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	285,603			
	e	Government grants (contributions)	1e	210,625			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	88,162			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		584,390			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	900099	159,084,879	159,084,879		
	b	CAFETERIA MEALS REVENU	722210	1,214,590	1,214,590		
	c	MEDICAL SERVICES REVEN	621400	429,407	429,407		
	d	ATHLETIC TRAINING REVE	621990	303,126	303,126		
	e	OTHER	900099	36,733	36,733		
	f	All other program service revenue		28,761	28,761		
	g	**Total.** Add lines 2a–2f		161,097,496			
	3	Investment income (including dividends, interest and other similar amounts)		3,371,830	24,226	160,982	3,186,622
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents		21,600			
	b	Less rental expenses		64,251			
	c	Rental income or (loss)		-42,651			
	d	Net rental income or (loss)		-42,651		-42,651	
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	3,162,350				
	b	Less cost or other basis and sales expenses	0	13,548			
	c	Gain or (loss)	3,162,350	-13,548			
	d	Net gain or (loss)		3,148,802			3,148,802
Other Revenue	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	OTHER OPERATING REVENU	900099	707,557	528,521	179,036	
	b	PROFESSIONAL SERVICES	541200	364,004		364,004	
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		1,071,561			
	12	**Total revenue.** See Instructions		169,231,428	161,650,243	661,371	6,335,424

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	7,350	7,350		
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	809,952		809,952	
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	54,318,749	40,459,687	13,859,062	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,435,969	4,725,949	1,710,020	
9	Other employee benefits	9,652,996	7,086,967	2,566,029	
10	Payroll taxes	3,826,778	2,812,914	1,013,864	
11	Fees for services (non-employees)				
a	Management	6,800,406	6,244,172	556,234	
b	Legal	169,599	13,800	155,799	
c	Accounting	178,768		178,768	
d	Lobbying	26,057		26,057	
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees	66,000		66,000	
g	Other	12,698,079	7,751,762	4,946,317	
12	Advertising and promotion	562,315		562,315	
13	Office expenses	31,293,534	27,851,424	3,442,110	
14	Information technology	1,568,420	1,131,268	437,152	
15	Royalties . .				
16	Occupancy	3,644,896	2,502,234	1,142,662	
17	Travel	329,756	115,231	214,525	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	863,399		863,399	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	9,433,576	7,068,624	2,364,952	
23	Insurance	1,439,758	1,439,758		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	5,841,804		5,841,804	
b	OTHER	1,380,698		1,380,698	
c	NYS FEES ASSESSMENT	594,214		594,214	
d	LICENSE/CERTIFICATES/PE	75,399	55,347	20,052	
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	152,018,472	109,266,487	42,751,985	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		5,681	1	6,359
	2	Savings and temporary cash investments		17,514,173	2	6,875,922
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		15,953,188	4	26,345,311
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		1,403,806	7	712,963
	8	Inventories for sale or use		4,281,422	8	4,955,870
	9	Prepaid expenses and deferred charges		3,072,746	9	5,314,087
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 171,671,073			
	b	Less accumulated depreciation	10b 80,075,780	84,915,763	10c	91,595,293
	11	Investments—publicly traded securities		117,497,434	11	111,532,769
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		133,344	14	1,529,995
	15	Other assets See Part IV, line 11		8,916,823	15	11,104,616
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		253,694,380	16	259,973,185
Liabilities	17	Accounts payable and accrued expenses		43,796,451	17	57,102,523
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		25,818,802	20	22,782,778
	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		9,804,678	25	13,488,615
	26	**Total liabilities.** Add lines 17 through 25		79,419,931	26	93,373,916
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		170,694,657	27	162,771,670
	28	Temporarily restricted net assets		2,186,257	28	2,434,064
	29	Permanently restricted net assets		1,393,535	29	1,393,535
		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		174,274,449	33	166,599,269
	34	Total liabilities and net assets/fund balances		253,694,380	34	259,973,185

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	169,231,428
2	Total expenses (must equal Part IX, column (A), line 25)	2	152,018,472
3	Revenue less expenses Subtract line 2 from line 1	3	17,212,956
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	174,274,449
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-24,888,136
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	166,599,269

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

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

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

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

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

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

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
CAYUGA MEDICAL CENTER AT ITHACA	22-2325405

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		26,057
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			26,057
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 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 AT ITHACA

Employer identification number
22-2325405

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

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

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

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

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

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

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

		Held at the End of the Year
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	2d

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

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

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

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

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

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

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

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

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

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

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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

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

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

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance	3,579,792	3,339,356	3,018,724	3,430,950	
b	Contributions	285,603	241,036	268,842	52,876	
c	Investment earnings or losses	-24,461	113,370	153,608	-338,713	
d	Grants or scholarships	-13,335	1,625	1,125	500	
e	Other expenditures for facilities and programs		112,345	100,693	125,889	
f	Administrative expenses					
g	End of year balance	3,854,269	3,579,792	3,339,356	3,018,724	

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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

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

4 Describe in Part 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		2,829,462		2,829,462
b Buildings		90,215,660	38,306,562	51,909,098
c Leasehold improvements		2,412,716	905,937	1,506,779
d Equipment		54,433,105	38,554,754	15,878,351
e Other		21,780,130	2,308,527	19,471,603
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				91,595,293

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should 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) Amount
Federal Income Taxes	
DUE TO THIRD PARTY PAYERS	10,235,112
FAIR VALUE OF INTEREST RATE SWAP	1,366,061
ACCRUED INSURANCE CLAIMS	1,887,442
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	13,488,615

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	169,231,428
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	152,018,472
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	17,212,956
4	Net unrealized gains (losses) on investments	4	-8,196,351
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-16,691,785
9	Total adjustments (net) Add lines 4 - 8	9	-24,888,136
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-7,675,180

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	144,407,543
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-8,196,351		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-16,627,534		
e	Add lines **2a** through **2d**			2e	-24,823,885
3	Subtract line **2e** from line **1**			3	169,231,428
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	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	169,231,428

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

1	Total expenses and losses per audited financial statements			1	152,082,723
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	64,251		
e	Add lines **2a** through **2d**			2e	64,251
3	Subtract line **2e** from line **1**			3	152,018,472
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	152,018,472

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INTENDED USE FOR THE ENDOWMENT FUND OF THE CAYUGA MEDICAL CENTER AT ITHACA IS TO SUPPORT THE HOSPITAL'S ONGOING MISSION TO DELIVER THE HIGHEST QUALITY HEALTHCARE IN PARTNERSHIP WITH OUR COMMUNITY, ONE PERSON AT A TIME
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	AS OF DECEMBER 31, 2011 AND 2010, THE MEDICAL CENTER DOES NOT HAVE A LIABILITY FOR UNRECOGNIZED TAX BENEFITS THE MEDICAL CENTER FILES INCOME TAX RETURNS IN THE U S FEDERAL JURISDICTION AND NEW YORK STATE THE MEDICAL CENTER IS NO LONGER SUBJECT TO U S FEDERAL AND STATE INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2008
PART XI, LINE 8 - OTHER ADJUSTMENTS		PENSION AND POST RETIREMENT RELATED CHANGES - 9,954,351 UNREALIZED LOSS ON INTEREST RATE SWAP - 596,495 RESERVE FOR CMA LOAN -6,277,620 EQUITY IN OTHER CORPORATIONS 136,681 TOTAL TO SCHEDULE D, PART XI, LINE 8 -16,691,785
PART XII, LINE 2D - OTHER ADJUSTMENTS		UNREALIZED LOSS ON INTEREST RATE SWAP -596,495 PENSION AND POST RETIREMENT RELATED CHANGES - 9,954,351 RESERVE FOR CMA LOAN -6,277,620 RENTAL EXPENSES 64,251 EQUITY IN OTHER CORPORATIONS 136,681
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 64,251

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			327,391		327,391	0 220 %
b Medicaid (from Worksheet 3, column a)			22,316,484	13,353,453	8,963,031	5 900 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			22,643,875	13,353,453	9,290,422	6 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			9,978,329	558,603	9,419,726	6 200 %
f Health professions education (from Worksheet 5)			262,092		262,092	0 170 %
g Subsidized health services (from Worksheet 6)			47,770,638	39,008,596	8,762,042	5 760 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			6,338		6,338	0 %
j **Total** Other Benefits			58,017,397	39,567,199	18,450,198	12 130 %
k **Total.** Add lines 7d and 7j			80,661,272	52,920,652	27,740,620	18 250 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	5,841,804		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,120,458		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	18,029,228		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	62,702,788		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-44,673,560		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b		No

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CAYUGA MEDICAL CENTER AT ITHACA 101 DATES DRIVE ITHACA,NY 14850	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

CAYUGA MEDICAL CENTER AT ITHACA

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☑ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	Yes	
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☑ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☐ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **6**

	Name and address	Type of Facility (Describe)
1	CAYUGA MEDICAL CENTER 10 ARROWWOOD DRIVE ITHACA,NY 14850	URGENT CARE CLINIC & DIAGNOSTIC IMAGING
2	CAYUGA MEDICAL CENTER 1129 COMMON AVE CORTLAND,NY 13045	URGENT CARE CLINIC & DIAGNOSTIC IMAGING
3	CAYUGA MEDICAL CENTER 201 DATES DRIVE ITHACA,NY 14850	HEMATOLOGY & ONCOLOGY SERVICES
4	CAYUGA MEDICAL CENTER 310 TAUGHANOCK BLVD ITHACA,NY 14850	CARDIO, REHAB, SPORTS MEDICINE, DIAGNOSTIC
5	CAYUGA MEDICAL CENTER 10 BRENTWOOD DRIVE ITHACA,NY 14850	REHAB
6	CAYUGA MEDICAL CENTER 10 ARROWWOOD DRIVE ITHACA,NY 14850	OUTPATIENT SURGICAL SERVICES
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE MEDICAL CENTER PROVIDES SERVICES THAT ARE PAID FOR BY THIRD-PARTY PAYERS AND INDIVIDUALS THE MEDICAL CENTER DOES NOT ACCRUE INTEREST ON THESE RECEIVABLES THE MEDICAL CENTER ESTIMATES THE AMOUNT TO BE RECOGNIZED IN THE FINANCIAL STATEMENTS FOR DOUBTFUL ACCOUNTS BY ANALYZING PATIENT ACCOUNTS FOR COLLECTIBILITY AND APPLYING HISTORICALLY ESTABLISHED PERCENTAGES FOR SELF-PAY AND VARIOUS THIRD-PARTY PAYERS TO THE AGING CATEGORIES IN THE ACCOUNTS RECEIVABLE AGING ACCOUNTS FOR WHICH NO PAYMENTS HAVE BEEN RECEIVED FOR A SIGNIFICANT AMOUNT OF TIME ARE CONSIDERED DELINQUENT AND THE ACCOUNT IS WRITTEN-OFF WHEN CUSTOMARY COLLECTION EFFORTS ARE EXHAUSTED FOR CALCULATING THE AMOUNT OF BAD DEBT EXPENSE AT COST, THE MEDICAL CENTER APPLIED THE COST TO CHARGE RATIO TO THE BAD DEBT AMOUNT REPORTED ON THE FINANCIAL STATEMENTS FOR CALCULATING THE BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY OF THE MEDICAL CENTER, THE DENIAL RATE WAS APPLIED TO THE REPORTED BAD DEBT EXPENSE AT COST THIS ALLOWS THE MEDICAL CENTER TO BE CONSERVATIVE IN THE ESTIMATE OF WHAT AMOUNT THE ORGANIZATIONS BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
CAYUGA MEDICAL CENTER AT ITHACA		PART V, SECTION B, LINE 19D THE HOSPITAL FACILITY USED THE RATES NEGOTIATED OF THE LARGEST COMMERCIAL PAYER IN THE MARKET

Identifier	ReturnReference	Explanation
CAYUGA MEDICAL CENTER AT ITHACA		PART V, SECTION B, LINE 21 GROSS CHARGES WERE BILLED TO THE UNINSURED WHO DID NOT APPLY/QUALIFY FOR FINANCIAL ASSISTANCE BASED ON MEDPAR DATA, CAYUGA MEDICAL CENTER'S CHARGES, ON AVERAGE, ARE LOWER THAN MOST OTHER HOSPITALS IN THE REGION

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE CAYUGA MEDICAL CENTER AT ITHACA WORKS DIRECTLY WITH THE HEALTH PLANNING COUNCIL OF TOMPKINS COUNTY, BOTH ARE MEMBERS OF THE ADVISORY BOARD OF TOMPKINS COUNTY AND SURROUNDING AREAS AND SOLICIT VARIOUS FEEDBACK ON SERVICE GROWTH BEGINNING IN 2009 AND CONTINUING IN 2011, THE HEALTH PLANNING COUNCIL INDENTIFIED THE TOP THREE PRIORITY AREAS AS 1 PHYSICAL ACTIVITY AND NUTRITION2 ACCESS TO QUALITY HEALTH CARE3 CHRONIC DISEASE AND CANCER

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE CAYUGA MEDICAL CENTER AT ITHACA'S (CMC) BAD DEBT COLLECTION POLICY DOES NOT MAKE ANY SPECIFIC PROVISION FOR COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE HOWEVER CMC'S STANDARD OPERATING PRACTICE IS TO STOP ALL COLLECTION EFFORTS AND HOLD ACCOUNTS BACK FROM BAD DEBT UNTIL THE PATIENT IS GIVEN SUFFICIENT TIME TO COMPLETE A FINANCIAL ASSISTANCE APPLICATION REVIEW OF THE APPLICATION WILL BE MADE BY THE HOSPITAL AND PATIENTS ARE NOTIFIED OF DETERMINATION WITHIN 30 DAYS OF RECEIPT OF A COMPLETED APPLICATION IF PATIENT DOES NOT QUALIFY FOR EITHER PARTIAL OR FULL ASSISTANCE, THEN A MONTHLY PAYMENT PLAN IS OFFERED TO THE PATIENT FOR ANY REMAINING BALANCES DUE IF THE PATIENT QUALIFIES FOR ANY FINANCIAL ASSISTANCE, AN ADJUSTMENT IS IMMEDIATELY POSTED TO THE PATIENTS ACCOUNT UPON DETERMINATION OF QUALIFICATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 EACH YEAR MORE THAN 155,000 PATIENTS FROM THE GREATER CENTRAL NEW YORK REGION, INCLUDING, BUT NOT LIMITED TO TOMPKINS COUNTY AND PORTIONS OF CAYUGA, CHEMUNG, CORTLAND, SCHUYLER, SENECA AND TIOGA COUNTIES USE THE MEDICAL CENTER'S COMPREHENSIVE ACUTE CARE, URGENT CARE CENTERS, AND OUTPATIENT SERVICES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

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

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EMPLOYEE DISASTER FUND	30	6,350		BOOK	
(2) KOMARMI SCHOLARSHIP	2	1,000		BOOK	

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE EMPLOYEE DISASTER FUND (EDF) IS TO PROVIDE TEMPORARY AID TO EMPLOYEES WITH A DISASTER OR OTHER EMERGENCY HARDSHIP SITUATION THE EDF COMMITTEE IS COMPRISED OF HOSPITAL EMPLOYEES, WITH A MAJORITY OF THE MEMBERS BEING IN A NON-MANAGEMENT POSITION TO BE ELIGIBLE FOR ASSISTANCE, APPLICANTS MUST MEET CERTAIN CRITERIA AS SPECIFIED IN THE EDF POLICY THE EDF COMMITTEE MAKES AWARDS BASED ON THE MERITS OF EACH CASE IN ACCORDANCE WITH THE POLICY THE EDF COMMITTEE MAINTAINS COMPLETE AND ACCURATE MINUTES OF ITS PROCEEDINGS THE KOMARMI SCHOLARSHIP IS A HEALTH CAREER SCHOLARSHIP THAT IS ADMINISTERED BY A COMMITTEE MADE UP OF TWO VOLUNTEER COMMUNITY MEMBERS, A REPRESENTATIVE FROM THE BOARD OF DIRECTORS AND A MEMBER OF THE ADMINISTRATIVE TEAM THE COMMITTEE IDENTIFIES SPECIFIC AREAS EACH YEAR IN THE HOSPITAL WHICH ARE EXPERIENCING OR ANTICIPATING RECRUITMENT DIFFICULTIES RELATED TO THE SHORTAGE OF QUALIFIED CANDIDATES THE COMMITTEE WORKS WITH THE ITHACA HIGH SCHOOL ADMINISTRATION TO IDENTIFY A GRADUATING SENIOR WHO IS PLANNING ON PURSUING A CAREER IN THE SELECTED HEALTH PROFESSION THE AMOUNT OF THE SCHOLARSHIP CAN BE UP TO $1,000, TO BE AWARDED AT GRADUATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) D ROBERT MACKENZIE MD	(i)	357,000	102,595	0	4,900	13,572	478,067	0
	(ii)	0	0	0	0	0	0	0
(2) JOHN B RUDD	(i)	261,267	52,146	0	4,900	13,572	331,885	0
	(ii)	0	0	0	0	0	0	0
(3) TIMOTHY BAEL MD	(i)	355,833	93,782	0	14,485	7,981	472,081	0
	(ii)	0	0	0	0	0	0	0
(4) CHARLES GARBO MD	(i)	321,506	118,304	0	17,243	3,054	460,107	0
	(ii)	0	0	0	0	0	0	0
(5) AUGUSTE DUPLAN MD	(i)	258,089	1,560	0	21,400	4,180	285,229	0
	(ii)	0	0	0	0	0	0	0
(6) SRISATISH DEVAPATLA MD	(i)	246,298	1,560	0	20,396	5,220	273,474	0
	(ii)	0	0	0	0	0	0	0
(7) DAVID EVELYN MD	(i)	254,896	46,530	0	4,900	13,572	319,898	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	PART I, LINE 1A ALL EMPLOYEES ARE ELIGIBLE FOR A HEALTH CLUB MEMBERSHIP SUBSIDY, CAYUGA MEDICAL CENTER WILL REIMBURSE EMPLOYEES 50% OF THE SINGLE MONTHLY MEMBERSHIP FEE WHEN THEY ATTEND THE HEALTH CLUB AT LEAST 24 TIMES A QUARTER IF AN INDIVIDUAL DOES NOT MEET THE CRITERIA, THEY WILL NOT RECEIVE THE SUBSIDY
	PART I, LINE 6	YEAR END BONUS PROGRAM FOR ALL EMPLOYEES WAS BASED ON THE OPERATING MARGIN, PARTICIPATION IN THE ANNUAL SAFETY TRAINING AND REACHING PREDETERMINED CUSTOMER SATISFACTION SCORES

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	TOMPKINS COUNTY AREA DEVELOPMENT INC	16-6058339		10-09-2003	15,000,000	FINANCE CONSTRUCTION & PURCHASE ASSETS		X		X		X
B	TOMPKINS COUNTY DEVELOPMENT CORP	27-2290745	890096AA8	08-31-2010	14,275,000	FINANCE CONSTRUCTION & PURCHASE ASSETS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds defeased				
3	Total proceeds of issue	15,000,000	14,275,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	205,375	285,500		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	269,000	142,750		
10	Capital expenditures from proceeds	14,525,625	13,846,750		
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2003	2010		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X					
b	Name of provider	JP MORGAN		DEUTSCHE BANK					
c	Term of hedge	15 000000000000		12 000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM IS REVIEWED WITH THE FINANCE, AUDIT AND PERSONNEL COMMITTEE PRIOR TO FILING
	FORM 990, PART VI, SECTION B, LINE 12C	CAYUGA MEDICAL CENTER AT ITHACA MAINTAINS A CONFLICT OF INTEREST POLICY WHICH BOARD MEMBERS ARE REQUIRED TO SIGN ANNUALLY THE HOSPITAL REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE POLICY BY REVIEWING STATEMENTS ANNUALLY FOR CONFLICTS, IDENTIFYING AND DISQUALIFIED PERSONS, AND RECORDING ALL PROCEEDING RELATED TO A CONFLICT OF INTEREST TRANSACTION
	FORM 990, PART VI, SECTION B, LINE 15	CAYUGA MEDICAL CENTER AT ITHACA DETERMINES COMPENSATION OF THE CEO AND OTHER OFFICERS BY UTILIZING INDEPENDENT COMPENSATION CONSULTANT AND/OR COMPENSATION SURVEYS FORMAL WRITTEN CONTRACT FOR CEO IS REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION C, LINE 19	CAYUGA MEDICAL CENTER AT ITHACA FOLLOWS THE IRS DISCLOSURE REQUIREMENTS AND ALL REQUIRED DOCUMENTS ARE AVAILABLE UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -8,196,351 PENSION AND POST RETIREMENT RELATED CHANGES -9,954,351 UNREALIZED LOSS ON INTEREST RATE SWAP -596,495 RESERVE FOR CMA LOAN -6,277,620 EQUITY IN OTHER CORPORATIONS 136,681 TOTAL TO FORM 990, PART XI, LINE 5 -24,888,136
COMMITTEE FOR OVERSIGHT OF THE AUDIT	PART XII, LINE 2C	THE FINANCE COMMITTEE IS RESPONSIBLE FOR OVERSIGHT OF THE AUDIT

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CAYUGA MEDICAL CENTER FOUNDATION 101 DATES DRIVE ITHACA, NY 14850 16-1072414	SUPPORT CAYUGA MEDICAL CENTER AT ITHACA	NY	501(C)(3)	11	CAYUGA MEDICAL CENTER AT ITHACA	Yes	
(2) CAYUGA MEDICAL ASSOCIATES 101 DATES DRIVE ITHACA, NY 14850 20-4356115	ESTABLISH MEDICAL PRACTICES FOR LOCAL ACCESSIBILITY	NY	501(C)(3)	9	N/A		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TOMPKINS OFFICE MANAGEMENT SYSTEM 101 DATES DRIVE ITHACA, NY 14850 16-1437217	OFFICE MANAGEMENT	NY	CAYUGA MEDICAL CENTER AT ITHACA	C	199,608	937,206	100 000 %
(2) CAYUGA AREA PLAN INC 101 DATES DRIVE ITHACA, NY 14850 16-1298390	HEALTHCARE	NY		C	-166,859	82,980	50 000 %
(3) CAYUGA AREA PREFERRED INC-(CONSOLIDATED W CAYUGA AREA PLAN) 101 DATES DRIVE ITHACA, NY 14850 16-1542122	HEALTHCARE	NY		C			50 000 %
(4) CAYUGA MEDICAL OFFICE BUILDING ASSOCIATES 101 DATES DRIVE ITHACA, NY 14850 16-1261492	HEALTHCARE	NY		C	545,753	290,706	48 000 %

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

Note. Complete line 1 if any entity is listed in Parts II, III or IV

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) TOMPKINS OFFICE MANAGEMENT SYSTEMS INC	A	20,152	CONTRACT
(2) CAYUGA MEDICAL OFFICE BUILDING ASSOCIATES	K	98,481	CONTRACT
(3) CAYUGA MEDICAL OFFICE BUILDING ASSOCIATES	J	442,432	CONTRACT
(4)			
(5)			
(6)			

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

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

(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 sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2011

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
CAYUGA MEDICAL CENTER AT ITHACA	FORM 990 PAGE 10	22-2325405

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount (see instructions)	**1**	500,000
2 Total cost of section 179 property placed in service (see instructions)	**2**	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	**5**	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost

7 Listed property Enter the amount from line 29	**7**		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	**8**		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	**9**		
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	**10**		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	**11**		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	**12**		
13 Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12 ▶	**13**		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	
15 Property subject to section 168(f)(1) election	**15**	
16 Other depreciation (including ACRS)	**16**	9,369,414

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2011	**17**	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	**21**	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	**22**	9,369,414
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 .						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) . .												
31 Total commuting miles driven during the year .												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use? .												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions)					
43 Amortization of costs that began before your 2011 tax year				**43**	64,162
44 Total. Add amounts in column (f) See the instructions for where to report . .				**44**	64,162

CAYUGA MEDICAL CENTER AT ITHACA, INC.

Financial Statements
as of December 31, 2011 and 2010
Together with
Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

March 9, 2012

To the Board of Directors of
Cayuga Medical Center at Ithaca, Inc

We have audited the accompanying balance sheets of Cayuga Medical Center at Ithaca, Inc (a New York not-for-profit corporation, the Medical Center), as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Medical Center'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

As discussed in Note 12 to the financial statements, the Medical Center reports its investments in Tompkins Office Management Systems, Inc (a wholly owned subsidiary) and Cayuga Medical Office Building Associates, LLP (a majority owned subsidiary) (collectively, the Affiliates) on the equity method of accounting In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries If the financial statements of the Affiliates had been consolidated with those of the Medical Center, total assets and total liabilities would be increased by approximately $624,000 and $1,712,000, respectively, as of December 31, 2011, and revenues and expenses would be increased by $1,291,000 and $2,379,000, respectively, for the year then ended

In our opinion, except for the effects of not consolidating the Affiliates in the accompanying financial statements as explained in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Cayuga Medical Center at Ithaca, Inc as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Bonadio & Co., LLP

22 Seneca Street
Geneva, New York 14456
p (315) 789-0113
f (315) 789-0115

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CAYUGA MEDICAL CENTER AT ITHACA, INC.

BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,882,282	$ 17,519,854
Patient accounts receivable, net	26,345,311	15,953,188
Inventories	4,955,870	4,281,422
Prepaid expenses and other current assets	5,379,592	3,137,304
Total current assets	43,563,055	40,891,768
ASSETS WHOSE USE IS LIMITED	111,532,769	117,497,434
PROPERTY, PLANT AND EQUIPMENT, net	91,595,293	84,915,763
BENEFICIAL INTEREST IN ASSETS OF FOUNDATION	4,275,310	4,464,010
INSURANCE RECEIVABLE	1,887,442	-
OTHER ASSETS, net of current portion	7,119,316	5,925,405
Total assets	$ 259,973,185	$ 253,694,380
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 3,115,033	$ 3,036,023
Accounts payable	6,996,999	5,312,802
Accrued payroll, taxes and other expenses	7,752,308	6,531,884
Accrued vacation	2,969,071	2,560,725
Current portion of accrued postretirement cost	176,644	185,950
Current portion of due to third-party payers	2,770,380	2,204,922
Total current liabilities	23,780,435	19,832,306
OTHER LIABILITIES		
Long-term debt, net of current portion	19,667,745	22,782,779
Fair value of interest rate swaps	1,366,061	769,566
Accrued insurance claims	1,887,442	-
Accrued pension cost	33,881,115	24,411,706
Accrued postretirement cost, net of current portion	5,326,386	4,793,384
Due to third-party payers, net of current portion	7,464,732	6,830,190
Total other liabilities	69,593,481	59,587,625
Total liabilities	93,373,916	79,419,931
NET ASSETS		
Unrestricted	162,771,670	170,694,657
Temporarily restricted	2,434,064	2,186,257
Permanently restricted	1,393,535	1,393,535
Total net assets	166,599,269	174,274,449
Total liabilities and net assets	$ 259,973,185	$ 253,694,380

The accompanying notes are an integral part of these statements

CAYUGA MEDICAL CENTER AT ITHACA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUE		
Net patient service revenue	$ 159,084,879	$ 128,611,124
Other operating revenue	3,248,810	2,794,263
Net assets released from restrictions used for operations	13,335	113,970
Total revenue	162,347,024	131,519,357
OPERATING EXPENSES		
Salaries and wages	55,120,030	48,272,666
Employee benefits	19,964,892	17,892,215
Supplies and other expenses	29,520,718	18,736,180
Professional expenses	9,247,481	8,437,823
Contracted services	11,717,927	10,362,429
Fixed expenses (occupancy)	5,460,253	5,267,342
Other direct expenses	4,318,427	4,776,057
Depreciation and amortization	9,433,577	8,952,618
Interest	863,399	695,264
NYS cash receipts assessment	594,215	450,351
Provision for doubtful accounts	5,841,804	5,136,790
Total operating expenses	152,082,723	128,979,735
	10,264,301	2,539,622
INVESTMENT INCOME, net of fees	3,347,604	2,459,431
REALIZED GAIN ON INVESTMENTS, net	3,140,627	2,730,398
Excess of revenue over expenses	16,752,532	7,729,451
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Unrealized gain (loss) on investments	(8,125,941)	7,096,405
Unrealized gain (loss) on interest rate swaps	(596,495)	41,247
Pension and postretirement related changes other than net periodic benefit cost	(9,954,351)	1,677,574
Transfers to related parties	(6,277,620)	(5,991,300)
Other	278,888	456,426
Total other changes in unrestricted net assets	(24,675,519)	3,280,352
Increase (decrease) in unrestricted net assets	(7,922,987)	11,009,803
TEMPORARILY RESTRICTED NET ASSETS		
Investment income, net of fees	24,226	14,371
Realized gain (loss) on restricted investments, net	21,723	(4,769)
Unrealized gain (loss) on restricted investments, net	(70,410)	103,768
Donations and bequests	285,603	251,036
Net assets released from restrictions	(13,335)	(113,970)
Increase in temporarily restricted net assets	247,807	250,436
PERMANENTLY RESTRICTED NET ASSETS		
Other	-	(10,000)
Decrease in permanently restricted net assets	-	(10,000)
CHANGE IN NET ASSETS	(7,675,180)	11,250,239
NET ASSETS - beginning of year	174,274,449	163,024,210
NET ASSETS - end of year	$ 166,599,269	$ 174,274,449

The accompanying notes are an integral part of these statements

CAYUGA MEDICAL CENTER AT ITHACA, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ (7,675,180)	$ 11,250,239
Adjustments to reconcile change in net assets to net cash flow from operating activities.		
Net (gain) loss on investments	5,222,701	(9,517,463)
(Gain) loss on sale of property, plant and equipment	13,548	(56,778)
Pension and postretirement related changes other than net periodic benefit cost	9,954,351	(1,677,574)
Change in fair value of interest rate swap	596,495	(41,247)
Restricted contributions for capital purchases	(285,603)	(251,036)
Depreciation and amortization	9,433,577	8,952,618
Provision for doubtful accounts	5,841,804	5,136,790
Write-offs of physician advances	558,445	2,191,129
Net (gain) loss on investments in related parties	(33,180)	8,181
(Increase) decrease in beneficial interest in assets of Foundation	188,700	(408,339)
Changes in		
Patient accounts receivable	(16,233,927)	(4,312,715)
Inventories	(393,308)	(271,201)
Prepaid expenses and other assets	(2,108,944)	(3,025,350)
Accounts payable	1,673,749	1,315,879
Accrued expenses	1,628,770	555,289
Accrued postretirement cost	464,460	470,223
Accrued pension cost	(425,706)	(1,117,033)
Due to/from third-party payers	1,200,000	1,825,568
Net cash flow from operating activities	9,620,752	11,027,180
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(15,938,218)	(13,805,463)
Proceeds from sale of property, plant, and equipment	(8,938)	49,116
Changes in assets whose use is limited, net	741,964	(2,247,150)
Purchase of Ithaca Medical Group	(1,916,023)	-
Purchases of equity in related parties	(386,688)	(1,522,792)
Net cash flow from investing activities	(17,507,903)	(17,526,289)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	14,275,000
Payment of bond costs	-	(453,450)
Repayment on long-term debt	(3,036,024)	(1,913,774)
Restricted contributions for capital purchases	285,603	251,036
Net cash flow from financing activities	(2,750,421)	12,158,812
CHANGE IN CASH AND EQUIVALENTS	(10,637,572)	5,659,703
CASH AND EQUIVALENTS - beginning of year	17,519,854	11,860,151
CASH AND EQUIVALENTS - end of year	$ 6,882,282	$ 17,519,854

The accompanying notes are an integral part of these statements

1. THE ORGANIZATION

Cayuga Medical Center at Ithaca, Inc (the Medical Center) is an acute care facility located in Ithaca, New York serving residents primarily in Tompkins County and its surrounding areas

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting

The financial statements of the Medical Center are prepared in conformity with accounting principles generally accepted in the United States The Medical Center reports its activities and the related net assets using the following net asset categories

- **Unrestricted**
  Unrestricted net assets include resources, which are available for the support of the Medical Center's operating activities

- **Temporarily Restricted Net Assets**
  Temporarily restricted net assets include resources that have been donated to the Medical Center subject to restrictions as defined by the donor When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements Substantially all of the Medical Center's temporarily restricted funds are to be used for capital additions and to benefit the Medical Center's patients

- **Permanently Restricted**
  Permanently restricted net assets include resources that have donor-imposed restrictions that stipulate resources be maintained in perpetuity Income from these funds is used in accordance with the donor's wishes

Endowment Funds

The Medical Center's endowments consist of individual donor-restricted funds established for a variety of purposes and are included in the accompanying balance sheets as Assets Whose Use is Limited Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law

The Board of Directors of the Medical Center has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on permanently restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Performance Indicator

The statements of activities and changes in net assets include the Medical Center's excess of revenue over expenses Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include changes in net unrealized gains and losses on investments and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets), pension related changes, and changes in the fair value of derivatives

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers

Third-party payers retain the rights to review and propose adjustments to amounts recorded by the Medical Center Such adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined The Medical Center believes the amounts recorded in the accompanying financial statements will not be materially affected upon the implementation of such adjustments

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors

Under the New York Health Care Reform Act, hospitals are authorized to negotiate reimbursement rates for inpatient acute care services with all other non-Medicare payers except for Medicaid, Workers' Compensation and No-Fault, which are regulated by New York State Reimbursement rates for these non-Medicare payers are determined on a prospective basis as determined by the New York State Prospective Hospital Reimbursement Methodology (NYPHRM), which was subsequently adopted under the provisions of the New York State Health Care Regulations Act (NYHCRA) as of January 1, 1999 These rates also vary according to a patient classification system defined by NYHCRA that is based on clinical, diagnostic and other factors

Outpatient services are paid under various reimbursement methods including cost reimbursement, prospectively determined rates, fee schedules, and charges

Other Operating Revenue

Other operating revenue consists of amounts received from miscellaneous sources, primarily from cafeteria and sold service revenues

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposit accounts, savings accounts and other highly liquid investments with maturities, when purchased, of 90 days or less, excluding amounts limited as to use The carrying amount reported in the balance sheets for cash and cash equivalents approximates fair value

The Medical Center maintains its cash and cash equivalents in bank accounts at one banking institution, which, at times, may exceed federally insured limits The Medical Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for Doubtful Accounts

The Medical Center provides services that are paid for by third-party payers and individuals The Medical Center does not accrue interest on these receivables The Medical Center estimates the amount to be recognized in the financial statements for doubtful accounts by analyzing patient accounts for collectability and applying historically established percentages for self-pay and various third-party payers to the aging categories in the accounts receivable aging Accounts for which no payments have been received for a significant amount of time are considered delinquent and the account is written-off when customary collection efforts are exhausted

Inventories

Inventories consist primarily of medical and related supplies and pharmaceuticals and are stated at the lower of cost, determined using the first-in, first-out (FIFO) method, or market

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid maintenance contracts, prepaid dues and subscriptions, investments in related parties, and the Cayuga Medical Center at Ithaca Foundation, Inc (the Foundation) receivable

Intangible Assets

In March 2011, the Medical Center purchased the equipment, supplies, contracts, intellectual property, and patient lists and medical records, free of liability, of the Ithaca Medical Group, LLC (the Practice) located in Ithaca, New York The Medical Center determined the purchase of the Practice will assure the availability of quality affordable oncology services by integrating the Practice with its other oncology services The Medical Center paid approximately $1,900,000 for the Practice The Medical Center recognized an intangible asset representing goodwill of approximately $1,500,000 The Medical Center evaluated the intangible asset as of December 31, 2011 and determined no impairment was required to be recognized during 2011 The Medical Center includes this intangible asset in Other Assets in the accompanying balance sheet

Beneficial Interest in Assets of Foundation

As a result of the Medical Center having an economic interest in a portion of the Foundation's assets, the Medical Center has recognized its interest in those assets of the Foundation as Beneficial Interest in Assets of Foundation in the accompanying balance sheets and periodically adjusts its interest for subsequent changes in certain activities of the Foundation in future reporting periods

Assets Whose Use is Limited

Assets whose use is limited represent funds designated by the Board of Directors for funded depreciation, capital expenditures, reorganization, program development, and other identified purposes as well as donor-restricted endowments These funds consist of investments in temporary cash accounts, marketable equity securities, corporate obligations, mutual funds, and U S Government obligations

Investments in marketable securities are recorded at fair value based on quoted market prices Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenue over expenses unless the income or loss is restricted by donor or law Unrealized gains and losses on investments are excluded from the operating surplus since none of the investments are classified as trading securities When the market value of a security has declined below cost and the decline is deemed to be other-than-temporary, impairment has occurred, which would be recognized as a realized loss

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Whose Use is Limited (Continued)
Investment securities are exposed to various risks, such as interest rate, market and credit risk Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying financial statements The Medical Center utilizes an asset allocation methodology in order to control its risk related to market valuation of investments

Fair Value of Financial Instruments
The carrying amounts of all financial instruments classified as current assets, beneficial interest in assets of Foundation, other assets and current liabilities approximate fair value The fair values of other financial instruments are disclosed in the appropriate footnotes

Fair Value Measurement - Definition and Hierarchy
The Medical Center uses various valuation techniques in determining fair value and establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Medical Center Unobservable inputs are inputs that reflect the Medical Center's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances

The hierarchy is broken down into three levels based on the reliability of inputs as follows

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Medical Center has the ability to access Valuation adjustments are not applied to Level 1 instruments Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment

  The Medical Center's assets whose use is limited, and pension assets, except for corporate obligations, are valued utilizing Level 1 inputs

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly

  The Medical Center's corporate obligations are valued utilizing Level 2 inputs

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement

  The Medical Center's interest rate swap contracts are valued utilizing Level 3 inputs

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - Definition and Hierarchy (Continued)
The availability of observable inputs can vary and is affected by a wide variety of factors To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment Accordingly, the degree of judgment exercised by the Medical Center in determining fair value is greatest for instruments categorized in Level 3 In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety

Fair values of the Medical Center's assets whose use is limited, as well as pension assets, are determined based on quoted market prices The fair values of the interest rate swap agreements are based on estimates obtained from each transaction between the Medical Center and the intermediary bank which is subject to the interest rate swap agreement using relevant data inputs and based on the assumption of no unusual market conditions or forced liquidation

Property, Plant and Equipment
Property, plant and equipment is recorded at cost, or if donated, at the fair value of the asset at the date of donation, less accumulated depreciation The Medical Center capitalizes assets that have a cost in excess of $1,000 and an estimated useful life of over one year Depreciation is provided over the assets' estimated useful lives using the straight-line method as follows

Land improvements	12 years
Buildings	25 years
Building improvements	15 years
Building fixtures and equipment	11 years
Moveable equipment	3 - 10 years

Maintenance and repairs are expensed as incurred Interest is capitalized during periods of construction on significant projects when there is related debt No interest was capitalized in 2011 or 2010

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used, and are excluded from excess of revenue over expenses Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Donated Services
Volunteers have donated significant amounts of time in support of the Medical Center's activities However, the value of these services is not reflected in the accompanying statements, as they do not meet the criteria for recognition set forth in generally accepted accounting principles

Charity Care
The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than their established rates This care is not reported as revenue because the Medical Center does not pursue collection of amounts determined to qualify as charity care

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code The Medical Center has also been classified by the Internal Revenue Service (IRS) as an entity that is not a private foundation

As of December 31, 2011 and 2010, the Medical Center does not have a liability for unrecognized tax benefits The Medical Center files income tax returns in the U S federal jurisdiction and New York State The Medical Center is no longer subject to U S federal and state income tax examinations by tax authorities for years before 2008

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes Actual results could differ from those estimates

Change in Accounting Principle

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-24, *Presentation of Insurance Claims and Related Insurance* (ASU 2010-24) ASU 2010-24 addressed current diversities in practice related to the accounting by health care entities for medical malpractice claims and similar liabilities and their related anticipated insurance recoveries ASU 2010-24 clarifies that a health care entity should not net insurance recoveries against a related claim liability Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries The Medical Center adopted ASU 2010-24 in the 2011 financial statements The adoption of ASU 2010-24 resulted in an additional long-term asset and long-term liability on the December 31, 2011 balance sheet of the Medical Center of $1,887,442

3. PATIENT ACCOUNTS RECEIVABLE

The Medical Center grants credit without collateral to third-party payers and its patients, most of who are local residents and are insured under third-party payer agreements Patient receivables consist of the following as of December 31

	2011	2010
Patient receivables, net of contractual adjustments	$ 37,717,570	$ 27,065,447
Reserve for doubtful accounts	(11,372,259)	(11,112,259)
	$ 26,345,311	$ 15,953,188

The mix of receivables from patients and third-party payers at December 31 was as follows.

	2011	2010
Medicare	25%	28%
Medicaid	13%	12%
Commercial	51%	44%
Other third-party payers	5%	2%
Self-pay	6%	14%
	100%	100%

3. PATIENT ACCOUNTS RECEIVABLE (Continued)

Adjustment of Prior Years' Revenue and Expense
During 2011 and 2010, the Medical Center recognized approximately $294,000 and $453,000, respectively, of net patient service revenue as a result of changes in estimates related to third-party settlements, which are included in net patient service revenue in the accompanying statements of activities and changes in net assets

Charity Care
The cost of providing charity care services and supplies furnished under the Medical Center's charity care policy aggregated approximately $217,000 and $320,000 in 2011 and 2010, respectively The Medical Center utilizes a cost accounting system to identify the cost of services and supplies provided to patients receiving financial assistance, which includes charity care The Medical Center uses an estimation technique to identify costs provided to charity care patients by calculating a ratio of gross charges provided to charity care patients as a percentage of gross charges of services provided to financial assistance patients and then multiplying the resulting percentage by costs identified in the cost accounting system

4. ASSETS WHOSE USE IS LIMITED

The composition of assets whose use is limited as of December 31 was as follows

	2011		2010	
	Cost	Market	Cost	Market
Cash and cash equivalents	$ 6,156,246	$ 6,156,246	$ 6,996,484	$ 6,996,484
Marketable equity securities	15,726,715	16,852,333	19,894,537	24,012,125
Corporate obligations	29,713,594	30,476,201	29,212,522	29,877,366
Mutual funds	50,132,679	49,910,168	44,516,448	49,229,456
Government and agency	8,031,354	8,137,821	7,253,753	7,382,003
	$ 109,760,588	$ 111,532,769	$ 107,873,744	$ 117,497,434

The Medical Center's return on assets whose use is limited for the years ended December 31, 2011 and 2010 was as follows

	2011	2010
Realized gains	$ 3,140,627	$ 2,730,398
Interest and dividend income	3,709,724	2,907,269
Investment management fees	(362,120)	(447,838)
Net unrealized gain (loss) on investments	(8,125,941)	7,096,405
Total unrestricted investment income	(1,637,710)	12,286,234
Temporarily restricted investment income	24,226	14,371
Net realized gain (loss) on restricted investments	21,723	(4,769)
Net unrealized gain (loss) on restricted investments	(70,410)	103,768
Total return on investments	$ (1,662,171)	$ 12,399,604

The Medical Center's investments are managed by investment managers and bank trust departments Because the Medical Center's investments include a variety of financial instruments, the related values, as presented in the financial statements, are subject to various market fluctuations which include changes in the equity markets, interest rate environment and general economic conditions

4. ASSETS WHOSE USE IS LIMITED (Continued)

The Medical Center evaluated its assets whose use is limited at the investment security level for impairment For investments in an unrealized loss position relative to original cost, the Medical Center assesses whether the investment is other-than-temporarily impaired The Medical Center has recognized no such impairments in 2011 and 2010

The portion of the Medical Center's investments in an unrealized loss position relative to original cost, for which other-than-temporary impairments have not been recognized, categorized by the length of time that the investment has been in a loss position as of December 31, 2011, are as follows

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 3,865,247	$ 633,577	$ 868,160	$ 244,373	$ 4,733,407	$ 877,950
Corporate obligations	7,130,120	107,679	3,544,076	102,686	10,674,196	210,365
Mutual funds	8,421,713	1,335,604	17,268,365	2,950,943	25,690,078	4,286,547
Government and agency	2,901,626	7,024	11,872	213	2,913,498	7,237
	$22,318,706	$ 2,083,884	$ 21,692,473	$ 3,298,215	$ 44,011,179	$ 5,382,099

The portion of the Medical Center's investments in an unrealized loss position relative to original cost, for which other-than-temporary impairments have not been recognized, categorized by the length of time that the investment has been in a loss position as of December 31, 2010, are as follows

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 2,470,382	$ 144,946	$ 756,401	$ 246,519	$ 3,226,783	$ 391,465
Corporate obligations	8,347,630	139,786	2,590,072	109,520	10,937,702	249,306
Mutual funds	-	-	21,105,846	1,141,076	21,105,846	1,141,076
Government and agency	2,588,345	3,092	43,327	706	2,631,672	3,798
	$ 13,406,357	$ 287,824	$ 24,495,646	$ 1,497,821	$ 37,902,003	$ 1,785,645

The unrealized losses on the Medical Center's investments were caused by market volatility Based on the Medical Center's analysis of impairment and the Medical Center's ability and intent to hold these investments until a recovery of fair value, the Medical Center does not consider these investments to be other-than-temporarily impaired at December 31, 2011 and 2010

4. ASSETS WHOSE USE IS LIMITED (Continued)

Changes in Endowment Funds

Endowment net assets classified as permanently restricted net assets are composed of donor-restricted endowment funds as of December 31, 2011 and 2010

	Permanently Restricted Net Assets
Balance at January 1, 2010	$ 1,403,535
Other	(10,000)
Balance at December 31, 2010	1,393,535
Other	-
Balance at December 31, 2011	$ 1,393,535

Description of amounts classified as permanently restricted net assets as of December 31

	2011	2010
Permanently Restricted Net Assets		
The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	$ 1,393,535	$ 1,393,535

Return Objectives

The Medical Center has adopted an investment policy that attempts to provide a growth of principal within a prudent investment framework while seeking to maintain the purchasing power of the assets Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity To satisfy its long-term objectives, the Medical Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) The Medical Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

5. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at December 31, 2011

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Fixed income securities				
U S treasury obligations	$ 3,991,516	$ -	$ -	$ 3,991,516
Gov agency obligations	4,146,305	-	-	4,146,305
Corporate obligations	-	30,476,201	-	30,476,201
Mutual funds:				
Foreign	10,487,363	-	-	10,487,363
Small cap	7,684,187	-	-	7,684,187
Mid cap	6,918,824	-	-	6,918,824
Large cap	24,819,794	-	-	24,819,794
Equities.				
Domestic	15,839,524	-	-	15,839,524
Foreign	1,012,809	-	-	1,012,809
Total investments	$ 74,900,322	$ 30,476,201	$ -	$ 105,376,523
Interest rate swap contracts	$ -	$ -	$ (1,366,061)	$ (1,366,061)

The following are measured at fair value on a recurring basis at December 31, 2010

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Fixed income securities				
U S treasury obligations	$ 3,376,009	$ -	$ -	$ 3,376,009
Gov agency obligations	4,005,994	-	-	4,005,994
Corporate obligations	-	29,877,366	-	29,877,366
Mutual funds:				
Foreign	12,800,559	-	-	12,800,559
Small cap	4,568,782	-	-	4,568,782
Mid cap	7,492,770	-	-	7,492,770
Large cap	24,367,345	-	-	24,367,345
Equities.				
Domestic	22,709,564	-	-	22,709,564
Foreign and preferred	1,302,561	-	-	1,302,561
Total investments	$ 80,623,584	$ 29,877,366	$ -	$ 110,500,950
Interest rate swap contracts	$ -	$ -	$ (769,566)	$ (769,566)

5. FAIR VALUE MEASUREMENTS (Continued)

The following is a reconciliation of the beginning and ending balances for the Medical Center's interest rate swap contract and alternative investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during 2011

	Interest Rate Swap Contracts	Alternative Investments
Balance at January 1, 2010	$ (810,813)	$ 771,016
Disposals	-	(645,137)
Realized loss	-	(125,879)
Unrealized gain	41,247	-
Balance at December 31, 2010	(769,566)	-
Unrealized loss	(596,495)	-
Balance at December 31, 2011	$ (1,366,061)	$ -

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31

	2011	2010
Land and land improvements	$ 6,817,223	$ 6,788,848
Buildings and building improvements	75,865,254	75,763,733
Building fixtures and equipment	16,763,122	16,047,376
Moveable equipment	54,433,105	49,721,109
Construction-in-progress	17,792,369	8,066,098
	171,671,073	156,387,164
Less. Accumulated depreciation	(80,075,780)	(71,471,401)
	$ 91,595,293	$ 84,915,763

The estimated costs to complete the construction-in-progress are approximately $42,507,000 and $34,216,000 at December 31, 2011 and 2010, respectively

Property, plant and equipment included equipment acquired under capital lease obligations with a cost of $5,111,992 Accumulated amortization of these assets was $3,578,394 and $2,555,996 at December 31, 2011 and 2010, respectively

Approximately $471,000 and $481,000 of property, plant and equipment purchases are included in accounts payable as of December 31, 2011 and 2010, respectively Approximately $3,100,000 and $3,500,000 of construction in progress projects were completed during 2011 and 2010, respectively, and transferred to the appropriate property, plant and equipment categories shown above

7. COMMITMENTS

The Medical Center leases certain properties and equipment under non-cancelable operating leases expiring at various dates through 2018

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows at December 31

2012	$ 1,086,185
2013	826,736
2014	656,309
2015	671,984
2016	346,885
Thereafter	467,803
	$ 4,055,902

Rental expense for all operating leases was approximately $1,453,000 and $1,310,000 for the years ended December 31, 2011 and 2010, respectively

County Employee Retiree Health Benefit
The Medical Center is obligated to pay for health insurance premiums for retired employees of the County Hospital facility that was privatized to form the Medical Center in 1981 The accompanying balance sheets reflect a liability of approximately $700,000 for 2011 and 2010, which represents an estimate of the future obligation of the Medical Center under this commitment Total payments during 2011 and 2010 related to these 11 retired employees amounted to approximately $51,000 and $85,000, respectively

8. LONG-TERM DEBT

IDA Bond
In October 2003 the Medical Center entered into a lease agreement with Tompkins County Industrial Development Agency (IDA) whereby the Medical Center leased certain assets through IDA In turn, IDA issued a series of Variable Rate Demand Civic Facility Revenue bonds totaling $15 million in the aggregate, which were purchased by JP Morgan Chase Bank The proceeds from the bonds were distributed to the Medical Center to finance certain construction projects and to purchase equipment Principal is paid annually until maturity in October 2018 Interest on the bonds is based on the Bond Market Association Index (BMA), 0 10% and 0 34% at December 31, 2011 and 2010, respectively, plus 35 basis points The obligation is collateralized by the related equipment

Development Corporation Bond
In August 2010 the Medical Center entered into an agreement with Tompkins County Development Corporation (Development Corporation) and Bank of America, N A (the Bank) whereby the Bank provided the proceeds of a Tax Exempt Revenue Bond issue in the aggregate principal amount of $14 275 million to the Development Corporation The proceeds from the bond issue were distributed to the Medical Center to finance certain construction projects and to purchase equipment Principal is paid annually until maturity in August 2022 Annual interest on the bond is a rate equal to 64 1% of LIBOR with a designated maturity of one month (0 27% and 0 26% at December 31, 2011 and 2010, respectively) plus 1 04% The interest rate at December 31, 2011 and 2010 was approximately 1 31% and 1 30%, respectively The obligation is collateralized by the related equipment

8. LONG-TERM DEBT (Continued)

IDA Capital Lease

The Medical Center entered into a capital lease agreement with IDA whereby the Medical Center leases certain assets through IDA, which is payable in monthly installments of $94,032, including interest at 4 09%, maturing in February 2013 The obligation is collateralized by the leased equipment

The fair value of outstanding debt at December 31, 2011 and 2010 approximates the recorded book value The fair value of debt was estimated using current borrowing rates for similar types of investments

The following represents future maturities of long-term debt at December 31, 2011

	Long-Term Debt	Capital Lease Obligation	Combined
2012	$ 2,015,000	$ 1,128,388	$ 3,143,388
2013	2,150,000	188,066	2,338,066
2014	2,185,000	-	2,185,000
2015	2,325,000	-	2,325,000
2016	2,360,000	-	2,360,000
Thereafter	10,460,000	-	10,460,000
	21,495,000	1,316,454	22,811,454
Less Amount representing interest	-	(28,676)	(28,676)
	21,495,000	1,287,778	22,782,778
Less Current portion	(2,015,000)	(1,100,033)	(3,115,033)
	$ 19,480,000	$ 187,745	$ 19,667,745

The IDA and Development Corporation bonds contain certain covenants with which the Medical Center has agreed to comply At December 31, 2011 and 2010, the Medical Center was in compliance with these covenants

Debt Acquisition Costs

In connection with the acquisition of the IDA and Development Corporation bonds, the Medical Center has capitalized $941,405 of bond closing costs as of December 31, 2011 and 2010 The related accumulated amortization on the deferred financing costs was $313,677 and $249,514 at December 31, 2011 and 2010, respectively These amounts are included in other assets in the accompanying balance sheets The amortization expense for the years ended December 31, 2011 and 2010 was approximately $64,000 and $47,000, respectively

Supplemental Cash Flow Information

Interest paid during 2011 and 2010 on all financing arrangements for the Medical Center was approximately $874,000 and $663,000, respectively

9. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Interest Rate Swap Contracts

The Medical Center entered into two interest rate swap agreements (the Swaps) in order to reduce the impact of changes in interest rates The Swaps qualify as cash flow hedges under generally accepted accounting principles As such, the Medical Center has assumed no ineffectiveness in the Swaps due to the fact that, among other things, the notional amount of the Swaps matches the principal amount of the related debt, the variable rate that the Medical Center receives under the Swaps matches the variable rate of the related debt and the maturity dates of the Swaps match the maturity dates of the related debt The fair value of the Swaps is recorded as a liability in the accompanying balance sheets For the Medical Center, changes in the fair value of the Swaps are accounted for as gains or losses on interest rate swap contracts in the accompanying statements of activities

The change in the fair value of the Swaps for the Medical Center was an unrealized loss of $596,495 and unrealized gain of $41,247, and is recorded as a decrease and increase in net assets in the accompanying statements of activities in 2011 and 2010, respectively For the Medical Center, gains and losses will never be realized as long as the underlying payments are made in accordance with the terms of the existing debt agreements and the swap contracts remain in place until maturity

At December 31, 2011 and 2010, the fair values of the Swaps are liabilities as follows

Derivative Instruments Designated as Hedging Instruments	Balance Sheet Account	2011	2010
Interest rate swap contract			
IDA	Interest rate swap liability	$ 809,947	$ 705,738
Development Corp	Interest rate swap liability	556,114	63,828
Total derivatives		$ 1,366,061	$ 769,566

The effect of derivative instruments on the statements of activities for the year ended December 31 is as follows

Derivatives in Fair Value Hedging Relationships	Location of Gain (Loss) Recognized in Statement of Activities	Amount of Gain (Loss) Recognized in Statement of Activities	
Interest rate swap contract		2011	2010
IDA	Unrealized gain (loss) on interest rate swaps	$ (104,209)	$ 105,075
Development Corp	Unrealized loss on interest rate swaps	(492,286)	(63,828)
Total		$ (596,495)	$ 41,247

10. BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

The Foundation is a not-for-profit corporation that solicits gifts and donations on behalf of the Medical Center and others The Foundation has discretionary control over the amounts and timing of any distribution of funds At December 31, 2011 and 2010, the Foundation has net assets of approximately $4 5 million and $5 2 million, respectively, of which approximately $3 8 million represents permanently restricted endowment funds The carrying value of the interest reported in the balance sheets approximates fair value The Foundation reimburses the Medical Center for certain administrative, contracted, and fundraising services, which was approximately $177,000 and $173,000 in 2011 and 2010, respectively

11. PENSION AND POSTRETIREMENT BENEFITS

Description of Plan

The Medical Center has a defined benefit pension plan covering substantially all eligible employees after one year of service Under the pension plan, retirement benefits are based on years of credited service and the employee's final average compensation In addition, the Medical Center provides certain postretirement healthcare and life insurance benefits to eligible retirees and their dependents Eligibility for benefits depends upon age and years of service

Obligations and Funded Status

The following tables set forth the plans' funded status and amounts recognized in the Medical Center's financial statements at December 31, 2011 and 2010

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Change in benefit obligation				
Balance, beginning of year	$ 82,170,723	$ 76,472,859	$ 4,979,334	$ 4,486,729
Service cost	3,110,706	2,836,426	241,563	268,536
Interest cost	4,522,110	4,397,652	255,974	260,511
Contributions by participants	-	-	409,200	370,683
Actuarial loss	5,996,420	1,356,540	43,706	22,380
Benefits paid to participants	(3,208,908)	(2,892,754)	(426,747)	(429,505)
Balance, end of year	$ 92,591,051	$ 82,170,723	$ 5,503,030	$ 4,979,334
Change in plan assets				
Fair value, beginning of year	$ 57,759,017	$ 49,244,164	$ -	$ -
Actual return on plan assets	(540,173)	6,307,607	-	-
Employer contribution	5,100,000	5,100,000	17,547	58,822
Contributions by participants	-	-	409,200	370,683
Benefits paid to participants	(3,208,908)	(2,892,754)	(426,747)	(429,505)
Fair value, end of year	$ 59,109,936	$ 57,759,017	$ -	$ -

The funded status of the plans was as follows at December 31, 2011 and 2010.

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Benefit obligation	$ 92,591,051	$ 82,170,723	$ 5,503,030	$ 4,979,334
Fair value of plan assets	59,109,936	57,759,017	-	-
Funded status	$ (33,481,115)	$ (24,411,706)	$ (5,503,030)	$ (4,979,334)

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Obligations and Funded Status (Continued)

As of December 31, 2011 and 2010, and for the years then ended, the following amounts were recognized in the balance sheets and statements of activities and changes in net assets

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Current liabilities	$ -	$ -	$ 176,644	$ 185,950
Noncurrent liabilities	$ 33,881,115	$ 24,411,706	$ 5,326,386	$ 4,793,384
Net actuarial loss (gain)	$ 38,522,077	$ 28,550,982	$ (121,488)	$ (180,724)
Prior service cost	379,897	455,877	-	-
Total amounts recognized	$ 38,901,974	$ 29,006,859	$ (121,488)	$ (180,724)

The following aggregate information relates to the defined benefit pension plan at December 31, 2011 and 2010

	2011	2010
Projected benefit obligation	$ 92,591,051	$ 82,170,723
Accumulated benefit obligation	$ 81,287,297	$ 72,721,177
Fair value of plan assets	$ 59,109,936	$ 57,759,017

Components of net periodic benefit costs of the plans are composed of the following at December 31, 2011 and 2010

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Service cost	$ 3,110,706	$ 2,836,426	$ 241,563	$ 268,536
Interest cost	4,522,110	4,397,652	255,974	260,511
Expected return on plan assets	(4,893,396)	(4,605,049)	-	-
Amortization of prior service cost	75,980	176,505	-	-
Amortization of net (gain) loss	1,458,894	1,177,433	(15,530)	-
Net periodic benefit cost	$ 4,274,294	$ 3,982,967	$ 482,007	$ 529,047

The estimated net loss and prior service cost related to pension benefits that will be amortized into net periodic benefit cost in December 31, 2011 and 2010 is $2,107,000 and $1,530,000, respectively

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Fair Value Measurements

The following pension assets are measured at fair value on a recurring basis at December 31, 2011

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Fixed income securities				
U S treasury obligations	$ 1,970,243	$ -	$ -	$ 1,970,243
Gov agency obligations	1,070,530	-	-	1,070,530
Corporate obligations	-	13,933,268	-	13,933,268
Mutual funds:				
Foreign	5,645,995	-	-	5,645,995
Small cap	4,315,900	-	-	4,315,900
Mid cap	3,586,034	-	-	3,586,034
Large cap	17,849,366	-	-	17,849,366
Equities.				
Domestic	8,890,712	-	-	8,890,712
Foreign	563,002	-	-	563,002
Total	$ 43,891,782	$ 13,933,268	$ -	$ 57,825,050

The following pension assets are measured at fair value on a recurring basis at December 31, 2010

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Fixed income securities				
U S treasury obligations	$ 1,539,976	$ -	$ -	$ 1,539,976
Gov agency obligations	945,143	-	-	945,143
Corporate obligations	-	13,180,858	-	13,180,858
Mutual funds:				
Foreign	6,599,533	-	-	6,599,533
Small cap	2,680,002	-	-	2,680,002
Mid cap	3,416,363	-	-	3,416,363
Large cap	14,425,767	-	-	14,425,767
Equities				
Domestic	11,628,985	-	-	11,628,985
Foreign and preferred	661,965	-	-	661,965
Total	$ 41,897,734	$ 13,180,858	$ -	$ 55,078,592

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Assumptions

Weighted-average assumptions used to determine benefit obligations are as follows at December 31

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	5 0%	5 6%	5 0%	5 6%
Rate of compensation increase	3 75%	3 75%	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	5 6%	6 0%	5 6%	6 0%
Long-term rate of expected return on plan assets	8 0%	8 0%	N/A	N/A
Rate of compensation increase	3 75%	4 25%	N/A	N/A

The expected long-term rate of return on the pension plan's assets is based on historical and projected rates of return for current and planned asset categories in the pension plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets The target allocation percentages are expected to remain the same in 2012

Due to the Medical Center having a capped commitment related to the postretirement healthcare and life insurance benefits, there is no assumption used for the healthcare cost trend rate to determine obligations under this plan

In 2011 and 2010, the actuarial assumptions regarding mortality rates were based on the 1983 Group Annuity Mortality Table for males and females

Plan Assets

The Medical Center's pension plan weighted average asset allocations and respective targets at December 31, 2011 and 2010, by asset category are as follows

	2011		2010	
	Allocation	Target	Allocation	Target
Asset Category				
Equity securities	69%	55%	68%	55%
Debt securities	29%	40%	27%	40%
Other	2%	5%	5%	5%

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Cash Flows

The Medical Center expects to contribute $5,000,000 to its pension plan and $176,644 to its postretirement plan in 2012 Benefits expected to be paid by the plans during the ensuing five years and thereafter are as follows

Year Beginning	Pension Benefits	Other Benefits
2012	$ 3,200,143	$ 176,644
2013	$ 3,202,844	$ 196,246
2014	$ 3,385,615	$ 219,896
2015	$ 3,617,107	$ 243,681
2016	$ 3,811,596	$ 264,930
Succeeding five years	$ 26,379,149	$ 1,626,145

Measurement Dates

The measurement date for the year-end benefit obligation and assets for the plan years ending December 31, 2011 and 2010 was December 31, 2011 and 2010

Plan Objectives

The financial objectives of the pension plan are to reach and maintain full funding of the actuarial present value of projected plan benefits without undue risk or increasing any unfunded liability and where possible, to reduce the contribution rate in future years

12. RELATED PARTY TRANSACTIONS

Tompkins Office Management Systems, Inc.

The Medical Center's investment in Tompkins Office Management Systems, Inc (TOMS), an unconsolidated, wholly-owned for-profit subsidiary that is accounted for under the equity method, is approximately $692,000 and $714,000 at December 31, 2011 and 2010, respectively

During 2005, TOMS acquired a 70% interest in Island Health & Fitness LLC (IH&F) IH&F operates a health and fitness facility IH&F has entered into an operating lease agreement with an unrelated third-party for the facility The lease has a fifteen-year term, commencing January 1, 2006 and ending December 31, 2020 The Medical Center has guaranteed 70% payment on the operating lease The Medical Center provides TOMS with management services that approximated $46,000 and $44,000 in 2011 and 2010, respectively

Cayuga Medical Office Building, L.P.

TOMS is also a 10% general partner of Cayuga Medical Office Building L P d/b/a Cayuga Medical Office Building Associates (CMOBA) CMOBA operates a medical office building on land that is adjacent to and owned by the Medical Center The land is leased by the Medical Center to CMOBA The Medical Center rents office space from CMOBA Rental expense approximated $442,000 and 313,000 in 2011 and 2010, respectively TOMS' investment in CMOBA is adjusted for its 10% interest in the partnership

The Medical Center has acquired a 58% and 46% limited partnership interest in CMOBA as of December 31, 2011 and 2010, respectively This investment is accounted for under the cost method, and the carrying value is approximately $2,205,000 and $1,620,000 as of December 31, 2011 and 2010, respectively The investment in CMOBA, if recorded based on the underlying equity of book value (including the building recorded at 20% and 21% of original cost as of December 31, 2011 and 2010, respectively) would be $534,000 and $255,000 as of December 31, 2011 and 2010, respectively

12. RELATED PARTY TRANSACTIONS (Continued)

Cayuga Medical Office Building, L.P. (Continued)
TOMS and CMOBA have not been consolidated in the Medical Center's financial statements The Medical Center's investments in TOMS and CMOBA are included in other assets in the accompanying balance sheets

Cayuga Area Plan, Inc. and Cayuga Area Preferred, Inc.
The Medical Center has a 50% ownership in both Cayuga Area Plan, Inc and Cayuga Area Preferred, Inc (CAP) CAP are for-profit, taxable corporations organized to arrange for the delivery of health care services to enrolled members of a health plan and an indemnity or self-insured health plan The Medical Center's investment in CAP, which is accounted for under the equity method, is approximately $80,000 and $250,000 at December 31, 2011 and 2010, respectively The Medical Center provided certain management and other services that approximated $198,000 and $106,000 in 2011 and 2010, respectively

Cayuga Medical Associates, P.C.
In 2011 and 2010, the Medical Center transferred funds amounting to $6,277,620 and $5,991,300, respectively, to Cayuga Medical Associates, P C (CMA) CMA is a not-for-profit organization organized to operate several medical practice specialties in the Medical Center's service area CMA and the Medical Center are related through common board membership The amounts transferred are included in the accompanying financial statements as transfers to related parties

13. INSURANCE

Medical Malpractice
The Medical Center is insured for medical malpractice risks through a claims-made professional liability insurance policy Should the annual claims-made policy not be renewed or replaced with equivalent insurance, claims based on incidents during its term, but reported subsequently, will be uninsured The Medical Center has not provided for any unreported incidents, as it is unable to reasonably estimate the extent of any such losses

Certain malpractice claims have been asserted against the Medical Center by various claimants The claims are in various stages of processing and some may ultimately be brought to trial Also, other claims may also be asserted arising from services provided to patients in the past Although the Medical Center's management and legal counsel are unable to conclude as to the ultimate outcome of the actions, it is the opinion of the Medical Center's management that adequate insurance is maintained to provide for all asserted or potential claims

13. INSURANCE (Continued)

Health

The Medical Center offered two health insurance plans to its employees for January 2010 offered through a Premium Credit Arrangement with Excellus BlueCross BlueShield to provide coverage through its Blue PPO and Blue Healthy Choices plans Effective February 1, 2010, health insurance was changed to a single Blue PPO Plan (with two optional coverage levels) and the funding arrangement was changed to an Administrative Services Contract The main Blue PPO Plan is unchanged and the two optional coverage levels offer reduced benefits (i e require higher co-pays) in exchange for a reduced premium Under these contracts, employees' copayments range from $10/$20 for Domestic/In-Network providers in the main Blue PPO Plan to $50/$75 for Domestic/In-Network providers at the Option 2 coverage level Upon termination of these contracts the Medical Center is responsible for reimbursing BlueCross BlueShield of Central New York for claims incurred but not reported prior to the termination and for services received subsequent to the termination for which an extension of benefits is provided The Medical Center maintains an Irrevocable Letter-of-Credit in the amount of $1,026,600, which expired on December 30, 2011 and was renewed for $1,173,800 until December 30, 2012, as security for its obligations upon termination of the contract

Workers' Compensation

The Medical Center retains a significant amount of risk under its self-insured workers' compensation program and has an actuarial estimate for potential losses under this program The Medical Center maintains an Excess Workers' Compensation and Employer's Liability policy under which retained liability is $400,000 per claim The Medical Center is also required to maintain an Irrevocable Letter-of-Credit in the amount of $2,442,647, which expired on January 31, 2011, and was renewed for $3,567,701 until December 30, 2012

14. CONTINGENCIES

The U S healthcare industry, and hospital systems in particular, has become the subject of increased scrutiny by both federal and state governmental payers with respect to reimbursements they have received for service provision Specific areas for review by the governmental payers and their investigative personnel have included inappropriate billing practices, reimbursement maximization strategies, technical regulatory compliance, etc The stated purpose for these reviews is to recover reimbursements that the payers believe were inappropriate

The Medical Center has reviewed its internal records and policies with respect to such matters However, due to the nature of these matters, it is difficult to estimate definitively the ultimate liability, if any, that the Medial Center may incur for such matters

15. FUNCTIONAL EXPENSES

The following presents the Medical Center's expense information on a functional basis for the years ended December 31

	2011	2010
Program	$ 109,036,559	$ 89,103,912
General and administrative	43,046,164	39,875,823
	$ 152,082,723	$ 128,979,735

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 9, 2012, which is the date the financial statements were issued

Additional Data

Software ID:
Software Version:
EIN: 22-2325405
Name: CAYUGA MEDICAL CENTER AT ITHACA

Form 990, Special Condition Description:

Special Condition Description