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 05-01-2011 and ending 04-30-2012

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

C Name of organization
BARBARA ANN KARMANOS CANCER HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
4100 John R

City or town, state or country, and ZIP + 4
Detroit, MI 482012013

D Employer identification number
20-1649466

E Telephone number
(800) 527-6266

G Gross receipts $ 634,615,936

F Name and address of principal officer
Gerold Bepler MD
4100 John R
Detroit, MI 482012013

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 karmanos org

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

L Year of formation 2004

M State of legal domicile MI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
The Barbara Ann Karmanos Cancer Hospital is dedicated to the delivery of cancer care services, the treatment and care of cancer patients and the prevention of cancer

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,013
6	Total number of volunteers (estimate if necessary)	6	372
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	53,655	449,163
	9	Program service revenue (Part VIII, line 2g)	609,736,764	633,136,522
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,792	5,880
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-734,370	1,024,371
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	609,059,841	634,615,936
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	298,903	304,701
	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)	65,508,723	67,183,430
	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)	538,270,420	565,565,903
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	604,078,046	633,054,034
	19	Revenue less expenses Subtract line 18 from line 12	4,981,795	1,561,902

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	76,384,436	86,490,552
	21	Total liabilities (Part X, line 26)	50,517,954	55,335,941
	22	Net assets or fund balances Subtract line 21 from line 20	25,866,482	31,154,611

Part II Signature Block

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

Sign Here

Signature of officer — Date 2013-03-01

Michael F Grisdela Chief Financial Officer
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

The Barbara Ann Karmanos Cancer Hospital is dedicated to the delivery of cancer care services, the treatment and care of cancer patients and the prevention of cancer Additionally, Karmanos promotes, encourages, aids and performs scientific investigations and research addressing the cause, treatment and prevention of cancer Essential cancer medical services are provided to the community

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 $ 157,551,202 including grants of $ 0) (Revenue $ 175,257,397)

Inpatient Health Care Delivery & Management Barbara Ann Karmanos Cancer Hospital is dedicated to the delivery of cancer care services, the treatment and care of cancer patients and the prevention of cancer Additionally, Karmanos promotes, encourages, aids and performs scientific investigational and research addressing the cause, treatment and prevention of cancer Essential cancer medical services are provided to the community In FY2012, 26,555 patient days, 4,044 discharges for an average length of stay of 6 57 days In addition, there were 259 bone marrow transplant cases, 1,804 inpatient surgical cases, 2,591 inpatient imaging cases and inpatient Lab RVUs of 440,860

4b (Code) (Expenses $ 436,430,971 including grants of $ 0) (Revenue $ 444,919,275)

Ambulatory Services The Barbara Ann Karmanos Cancer Hospital provided medical services to cancer patients including radiation oncology, chemotherapy, bone marrow transplant, mammography and hematology consultative, diagnostic and treatment services Essential cancer and medical services are provided to the community In fiscal year 2012, the following outpatient statistics were reported clinical visits of 59,110, infusion patients of 29,781, imaging procedures of 54,041, pheresis patients of 2,639, inpatient and outpatient radiation oncology procedures of 30,569, outpatient surgical cases of 2,191, and outpatient lab RVUs of 1,032,814

4c (Code) (Expenses $ 11,549,651 including grants of $ 0) (Revenue $ 10,791,793)

Phase I The Barbara Ann Karmanos Cancer Hospital promotes, aids and performs scientific investigations and research addressing the cause, treatment and prevention of cancer Phase 1 clinic visits of 2,134, Phase 1 infusion patient visits of 3,289 and active clinical drug trials of 310

4d Other program services (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses ▶$ 605,531,824

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		No
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	Yes	
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		No
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, 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**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**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**	Yes	
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**		No
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**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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	0			
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	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	1,013			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** 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	20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		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▶

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 ▶

Michael F Grisdella
4100 John R
Detroit, MI 482012013
(313) 576-8662

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (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): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
See Additional Data Table										

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	3,016,938	1,050,217	222,749

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 ▶52

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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 ▶0

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	0				
	b Membership dues 1b	0				
	c Fundraising events 1c	0				
	d Related organizations . . . 1d	0				
	e Government grants (contributions) 1e	0				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	449,163				
	g Noncash contributions included in lines 1a-1f $ 0					
	h **Total.** Add lines 1a-1f . . . . ▶		449,163			
Program Service Revenue		Business Code				
	2a Outpatient medical services	621400	437,565,958	437,565,958	0	0
	b Inpatient medical services	622000	175,257,397	175,257,397	0	0
	c Drug clinical studies	900099	10,791,793	10,791,793	0	0
	d Professional medical services	621400	7,353,317	7,353,317	0	0
	e Professional services revenue - related	900099	2,168,057	2,168,057	0	0
	f All other program service revenue		0	0	0	0
	g **Total.** Add lines 2a–2f . . . . ▶		633,136,522			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		5,880	5,880	0	0
	4 Income from investment of tax-exempt bond proceeds . . ▶		0	0	0	0
	5 Royalties . . . . ▶		0	0	0	0
		(i) Real / (ii) Personal				
	6a Gross rents	13,766 / 0				
	b Less rental expenses	0 / 0				
	c Rental income or (loss)	13,766 / 0				
	d Net rental income or (loss) . . . . ▶		13,766	13,766	0	0
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	0 / 0				
	b Less cost or other basis and sales expenses	0 / 0				
	c Gain or (loss)	0 / 0				
	d Net gain or (loss) . . . . ▶		0	0	0	0
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18 . . . a	0				
	b Less direct expenses . . . b	0				
	c Net income or (loss) from fundraising events . . ▶		0		0	0
	9a Gross income from gaming activities See Part IV, line 19 . . . a	0				
	b Less direct expenses . . . b	0				
	c Net income or (loss) from gaming activities . . . ▶		0	0	0	0
	10a Gross sales of inventory, less returns and allowances . a	0				
	b Less cost of goods sold . . . b	0				
	c Net income or (loss) from sales of inventory . . ▶		0	0	0	0
	Miscellaneous Revenue	Business Code				
	11a Investment Income - MCC	900099	28,675	28,675	0	0
	b Valet parking	900099	80,305	80,305	0	0
	c Meaningful Use funds	900099	735,953	735,953	0	0
	d All other revenue		165,672	165,672	0	0
	e **Total.** Add lines 11a–11d . . . . . . ▶		1,010,605			
	12 **Total revenue.** See Instructions . . . ▶		634,615,936	634,166,773	0	0

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	0	0		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	304,701	304,701		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	401,084	401,084	0	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	53,108,622	50,698,899	2,409,723	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,026,859	976,173	50,686	0
9	Other employee benefits	9,123,183	7,830,671	1,292,512	0
10	Payroll taxes	3,523,682	3,352,618	171,064	
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	316,974	99,837	217,137	
c	Accounting	191,523	0	191,523	
d	Lobbying	0	0	0	0
e	Professional fundraising *See Part IV, line 17* . .	0			0
f	Investment management fees	0	0	0	0
g	Other	97,170,510	84,416,890	12,753,620	0
12	Advertising and promotion	175,271	7,385	167,886	0
13	Office expenses	44,822,857	44,654,779	168,078	0
14	Information technology	7,252,946	0	7,252,946	0
15	Royalties . .	0	0	0	0
16	Occupancy	5,325,237	5,010,518	314,719	0
17	Travel	138,438	132,628	5,810	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	82,261	76,908	5,353	0
20	Interest	1,414,793	204,276	1,210,517	0
21	Payments to affiliates	203,079	203,079	0	0
22	Depreciation, depletion, and amortization	4,124,394	3,619,593	504,801	0
23	Insurance	716,223	0	716,223	0
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	6,031,073	6,031,073	0	0
b	Permits, licenses, memberships, education and miscellaneous	297,797	241,606	56,191	0
c	Impairment costs	239,316	205,895	33,421	0
d	Contractual Allowances	397,063,211	397,063,211	0	0
e					
f	All other expenses	0	0	0	0
25	**Total functional expenses.** Add lines 1 through 24f	633,054,034	605,531,824	27,522,210	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		6,641,680	1	6,007,402
	2	Savings and temporary cash investments		0	2	
	3	Pledges and grants receivable, net		2,488,550	3	3,145,116
	4	Accounts receivable, net		22,442,485	4	22,951,978
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	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		0	6	
	7	Notes and loans receivable, net		0	7	
	8	Inventories for sale or use		2,254,253	8	2,319,049
	9	Prepaid expenses and deferred charges		1,619,296	9	1,179,570
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 47,177,519			
	b	Less accumulated depreciation	10b 22,504,581	22,371,890	10c	24,672,938
	11	Investments—publicly traded securities		0	11	
	12	Investments—other securities See Part IV, line 11		0	12	
	13	Investments—program-related See Part IV, line 11		113,000	13	113,018
	14	Intangible assets		0	14	
	15	Other assets See Part IV, line 11		18,453,282	15	26,101,481
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		76,384,436	16	86,490,552
Liabilities	17	Accounts payable and accrued expenses		29,064,899	17	34,170,333
	18	Grants payable			18	
	19	Deferred revenue		161,600	19	240,559
	20	Tax-exempt bond liabilities		0	20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		20,361,455	23	18,984,478
	24	Unsecured notes and loans payable to unrelated third parties		0	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		930,000	25	1,940,571
	26	**Total liabilities.** Add lines 17 through 25		50,517,954	26	55,335,941
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		24,324,610	27	30,637,479
	28	Temporarily restricted net assets		1,541,872	28	517,132
	29	Permanently restricted net assets		0	29	0
		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		25,866,482	33	31,154,611
	34	Total liabilities and net assets/fund balances		76,384,436	34	86,490,552

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	634,615,936
2	Total expenses (must equal Part IX, column (A), line 25)	2	633,054,034
3	Revenue less expenses Subtract line 2 from line 1	3	1,561,902
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	25,866,482
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,726,227
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	31,154,611

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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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?		**(v)** Did you notify the organization in col (i) of your support?		**(vi)** Is the organization in col (i) organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE 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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically importantly land area
- ☐ Preservation of a certified historic structure

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 ▶ $ 0

(ii) Assets included in Form 990, Part X ▶ $ 50,000

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 ▶ $ 0

b Assets included in Form 990, Part X ▶ $ 0

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					
b	Contributions					
c	Investment earnings or losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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)		
	(ii) related organizations	3a(ii)		
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	0	1,544,809		1,544,809
b Buildings	0	18,061,718	8,718,851	9,342,867
c Leasehold improvements	0	6,823,587	2,157,878	4,665,709
d Equipment	0	16,953,816	10,477,362	6,476,454
e Other	0	3,793,589	1,150,490	2,643,099
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				24,672,938

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
(1) Intercompany receivables	25,346,350
(2) Deferred Financing Costs	27,886
(3) Lease deposits	548,570
(4) Investment in joint venture	28,675
(5) Bed licenses	150,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	26,101,481

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Clinical trials	1,300,000
Retirement 457b	640,571
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,940,571

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	634,615,936
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	633,054,034
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,561,902
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	6,884
9	Total adjustments (net) Add lines 4 - 8	9	6,884
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,568,786

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	237,559,603
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	237,559,603
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	0		
b	Other (Describe in Part XIV)	4b	397,056,333		
c	Add lines **4a** and **4b**			4c	397,056,333
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	634,615,936

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

1	Total expenses and losses per audited financial statements			1	235,548,422
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	235,548,422
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	0		
b	Other (Describe in Part XIV)	4b	397,505,612		
c	Add lines **4a** and **4b**			4c	397,505,612
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	633,054,034

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
SchD_P03_S00_L04	Schedule D, Part III, Line 4	Artwork is desplayed for patient enjoyment and relaxation
SchD_P10_S00_L02	Schedule D, Part X, Line 2	Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Institute and recognize a tax liability if the Institute has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicalbe taxing authorities Management has analyzed the tax positions taken by the Institute and has concluded that as of April 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a libility or disclosure in the consolidated financial statements
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Offset by other changes in unrestricted and temporarily restricted net assets $6,878 , rounding $6
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Contractual allowances deducted from revenue on audited financial statements ($397,063,211) Less other changes in unrestricted and temporarily restricted net assets ($6,878)
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	Contractual allowances deducted from revenue on audited financial statements ($397,063,211) Transfers to Affiliates ($203,079), Impairment and write-off of property and equipment ($239,315), rounding ($7)

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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
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	3b	Yes	
	☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
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		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			189,203	0	189,203	0 03 %
b Medicaid (from Worksheet 3, column a)			16,687,728	13,084,883	3,602,845	0 57 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			38,130,586	26,273,679	11,856,907	1 87 %
d **Total** Charity Care and Means-Tested Government Programs	0	0	55,007,517	39,358,562	15,648,955	2 47 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)			5,339,187	3,155,946	2,183,241	0 34 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total** Other Benefits	0	0	5,339,187	3,155,946	2,183,241	0 34 %
k **Total.** Add lines 7d and 7j	0	0	60,346,704	42,514,508	17,832,196	2 81 %

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	2,195,846		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	189,203		
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	49,859,904
6	Enter Medicare allowable costs of care relating to payments on line 5	6	56,054,818
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-6,194,914

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

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

Part IV Management Companies and Joint Ventures (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	Barbara Ann Karmanos Cancer Hospital 4100 John R Detroit, MI 48201	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)

Name of Hospital Facility: Barbara Ann Karmanos Cancer Hospital

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		No
	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 200%			
	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% 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		No
	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

			Yes	No
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**		No

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)

		Yes	No
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**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**		No
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?____________________________

Name and address	Type of Facility (Describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, 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
SchH_P01_S00_L07	Schedule H, Part I, Line 7	Cost of charge ratio

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07g	Schedule H, Part I, Line 7g	Not applicable

Identifier	ReturnReference	Explanation
SchH_P03_S0A_L04	Schedule H, Part III, Section A, Line 4	Accounts receivable for patient services, insurance companies, and governmental agencies are based on gross charges An allowance for uncollectible accounts has been established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging Loss rate factors are based on historical loss experience and industry standards and adjusted for economic conditions and other trends affecting the Hospital's ability to collect outstanding amounts Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible

Identifier	ReturnReference	Explanation
SchH_P03_S0B_L08	Schedule H, Part III, Section B, Line 8	Shortfall of Medicare cost over Medicare payments of ($6,194,914) should be included as a community benefit The majority of our Medicare patients are crossover patients with Medicaid as secondary

Identifier	ReturnReference	Explanation
SchH_P03_S0C_L09b	Schedule H, Part III, Section C, Line 9b	The policy follows the Medicare Reimbursement manual, Part I, Section 312 "Providers can deem Medicare beneficiaries indigent or medically indigent when such individuals have also been determined eligible for Medicaid as either categorically needy individuals or medically needy individuals, respectively Once indigence is determined and the provider concludes that there had been no improvement in the beneficiary's financial condition, the debt may be deemed uncollectible "

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L18	Schedule H, Part V, Section B, Line 18	Karmanos Cancer Center does not have an emergency room

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L19	Schedule H, Part V, Section B, Line 19	Karmanos Cancer Center uses Blue Cross/Blue Shield of Michigan rates for these services

Identifier	ReturnReference	Explanation
SchH_P06_S00_L02	Schedule H, Part VI, Line 2	The review of SEER data in our immediate service areas of Wayne, Oakland and Macomb counties with particular attention to the morbidity and mortality rates in certain age and ethnic groups Collaborative work with other NCI designated facilities to track trends in other like communities In the past, focus groups and cold calls have been used to assess community needs The organization is currently undertaking a full community needs assessment The implementation plan is expected to be complete in the 1st quarter of calendar 2013 and implementation will begin during 2nd quarter of calendar 2013

Identifier	ReturnReference	Explanation
SchH_P06_S00_L03	Schedule H, Part VI, Line 3	All patients receive a copy of their patient rights upon registration as a new patient Patients are asked about health care coverage when scheduling an appointment and verified during the pre-registration process Those patients without health insurance or that are underinsured are then directed to special grant programs or to a Financial Counselor for applications to other programs

Identifier	ReturnReference	Explanation
SchH_P06_S00_L04	Schedule H, Part VI, Line 4	Located in Mid-town Detroit, Michigan, the Barbara Ann Karmnaos Cancer Institute and Barbara Ann Karmanos Cancer Hospital (Karmanos) is one of 41 National Cancer Institute-designated comprehensive cancer centers in the United States For four consecutive years, the Karmanos Cancer Center has topped the list of preferred hospitals in southeast Michigan for cancer care, according to a survey by the National Research Corporation We are a unique, urban-based center of research, patient care and education dedicated to the prevention, early detection, treatment and eventual eradication of cancer In 2012, Karmanos provided services to 340,284 individuals representing the 83 counties in the State of Michigan, and 46 of the 50 states in the United States

Identifier	ReturnReference	Explanation
SchH_P06_S00_L05	Schedule H, Part VI, Line 5	Karmanos offers education and awareness programs presented by its physicians and researchers, community education staff members, and trained volunteers These experts present information on cancer prevention, risk and its reduction, and testing guidelines Programs are available to businesses, religious congregations and social/community groups in southeastern Michigan Educational Programs and Educational Materials include, but are not limited to, General Cancer Information, Breast Cancer, Cervical Cancer, Clinical Trials, Colorectal Cancer, Lung Cancer, Prostate Cancer and Skin Cancer Karmanos also offers free fact sheets on the most common forms of cancer and topics of interest These are geared to persons concerned about their cancer risk and interested in prevention and early detection - not to persons diagnosed with cancer Topics include Breast Cancer, Cervical Cancer, Clinical Trials, Colon Cancer, Lung Cancer, Men's Cancer Screenings, Nutrition & Physical Activity, Ovarian Cancer, Prostate Cancer, Skin Cancer, Testicular Cancer and Women's Cancer Screenings

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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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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) Provide lodging for cancer patients that come from out of town Lodging paid to the following local facilities include, Atheneum Hotel, Inn of Ferry Street, Motor City Casino Hotel	569	95,932	0	Book	
(2) Direct cash assistance provided to patients for treatments	243	97,851	0	Book	
(3) Direct cash assistance for patients for food, travel and parking	212	110,106	0	Book	
(4) Rent and utilities paid on behalf of cancer patients	2	811	0	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
SchI_P01_S00_L02	Schedule I, Part I, Line 2	Monitor monthly by reviewing the activity and monthly account reconciliations and by comparison to budgets and contracts

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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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ 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**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the 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**	Yes	
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**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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) Gerold Bepler	(i)	0	0	0	0	0	0	0
	(ii)	397,087	75,000	2,277	0	25,858	500,222	
(2) Michael Grisdela	(i)	0	0	0	0	0	0	
	(ii)	158,736	0	1,643	0	13,801	174,180	
(3) Gary Morrison	(i)	0	0	0	0	0	0	
	(ii)	297,708	0	2,322	0	17,856	317,886	
(4) Karen Goldman	(i)	174,811	0	3,564	0	19,093	197,468	
	(ii)	0	0	0	0	0	0	
(5) Kathleen Carolin	(i)	158,304	0	1,147	0	12,443	171,894	
	(ii)	0	0	0	0	0	0	
(6) Debra Herring	(i)	148,107	0	36,407	0	12,870	197,384	
	(ii)	0	0	0	0	0	0	
(7) Sharon Helmer	(i)	537,936	0	774	0	29,717	568,427	
	(ii)	0	0	0	0	0	0	
(8) Garrett Walworth	(i)	511,142	0	408	0	23,273	534,823	
	(ii)	0	0	0	0	0	0	
(9) Natasha Robinette	(i)	501,873	0	162	0	23,205	525,240	
	(ii)	0	0	0	0	0	0	
(10) Hussein Aoun	(i)	475,695	0	144	0	17,138	492,977	
	(ii)	0	0	0	0	0	0	
(11) Michael Petrich	(i)	466,320	0	144	0	17,053	483,517	
	(ii)	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
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	The KCI Board Chairman established a formal Compensation Committee that is responsible for the review of compensation for the CEO, including the administration of the short term incentive program when the funds are available to distribute under the plan Any salary increase program is reviewed and approved by the KCI-KCC Finance Committee and the KCI-KCC Board of Directors as part of the annual budget process
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	Debra Herring received severance pay of $33,680 in 2011

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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

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

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

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

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ► $

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . ► $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) Alan S Schwartz	Board Member	201,483	Partner in firm that provides legal services		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE 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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

Identifier	Return Reference	Explanation
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	The review process for Form 990 includes a presentation of the Form 990 to the Finance Committee of the Board of Directors and the Board of Directors at their respective meetings And a full copy is made available to all board members prior to filing the return
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Annual conflict of interest questionnaires are completed by Board members, Officers and Executive Administration Conflicts are summarized and reported to the Nominating and Governance Committee Conflicts are compared to our vendor list to ensure all potential transactions that involve a conflict of interest are disclosed
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	The KCI Board chairman established a formal Compensation Committee that is responsible for the review of compensation for the CEO, including the administration of the short term incentive plan program when the funds are available to distribute under the plan Any salary increase program is reviewed and approved by the KCI-KCC Finance Committee and the KCI-KCC Board of Directors as part of the annual budget process
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	The Barbara Ann Karmanos Cancer Hospital governing documents, conflict of interest statements and financial statements are available to the public upon request
F990_P11_S00_L05	Form 990, Part XI, Line 5	Release from restriction, according to donor wishes, for capital equipment and projects amounting to $4,008,129 Includes BMT renovations, Phase I and new beds Offset by other changes in unrestricted and restricted net assets ($521,223)

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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
BARBARA ANN KARMANOS CANCER HOSPITAL

Employer identification number
20-1649466

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) Karmanos Cancer Institute 4100 John R Detroit, MI 48201 38-1613280	Parent company of Cancer Hospital	MI	501(c)(3)	509(a)(3)	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) 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	

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

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**		**No**
b	Gift, grant, or capital contribution to related organization(s)	**1b**	**Yes**	
c	Gift, grant, or capital contribution from related organization(s)	**1c**	**Yes**	
d	Loans or loan guarantees to or for related organization(s)	**1d**		**No**
e	Loans or loan guarantees by related organization(s)	**1e**	**Yes**	
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**	**Yes**	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1m**	**Yes**	
n	Sharing of paid employees with related organization(s)	**1n**	**Yes**	
o	Reimbursement paid to related organization(s) for expenses	**1o**	**Yes**	
p	Reimbursement paid by related organization(s) for expenses	**1p**	**Yes**	
q	Other transfer of cash or property to related organization(s)	**1q**	**Yes**	
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)				
(2)				
(3)				
(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	

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidated Financial Report with Additional Information

April 30, 2012

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Contents

plante moran

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Independent Auditor's Report

To the Board of Directors
Barbara Ann Karmanos Cancer Institute
and Subsidiaries

We have audited the accompanying consolidated balance sheet of Barbara Ann Karmanos Cancer Institute and Subsidiaries (the "Institute") as of April 30, 2012 and 2011 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Barbara Ann Karmanos Cancer Institute and Subsidiaries at April 30, 2012 and 2011 and the consolidated results of their operations, changes in net assets, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2012 on our consideration of Barbara Ann Karmanos Cancer Institute and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

As described in Note 1 to the consolidated financial statements, the Institute adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*, as of April 30, 2012.

Plante & Moran, PLLC

August 8, 2012

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidated Balance Sheet

	April 30, 2012	April 30, 2011
Assets		
Current Assets		
Cash and cash equivalents	$ 8,929,000	$ 18,434,693
Short-term investments (Note 5)	9,289,424	-
Patient service receivables - Net (Note 2)	21,030,401	16,007,395
Contributions receivable (Note 4)	2,844,715	2,836,602
Affiliation receivables (Note 11)	2,592,167	2,979,571
Donor pledges collateralizing debt (Note 9)	6,200,000	2,000,000
Estimated third-party payor settlements (Note 3)	676,154	6,111,351
Other receivables	4,473,740	3,683,724
Prepaid expenses and other	2,981,296	3,484,243
Inventory	2,329,605	2,265,456
Total current assets	61,346,502	57,803,035
Investments (Note 5)	19,133,623	17,152,726
Land, Buildings, and Equipment - Net (Note 7)	31,876,335	30,207,731
Contributions Receivable - Net of current portion (Note 4)	11,832,995	13,158,335
Donor Pledges Collateralizing Debt - Net of current portion (Note 9)	-	4,200,000
Other Noncurrent Assets	2,262,234	3,753,345
Total assets	$ **126,451,689**	$ **126,275,172**
Liabilities and Net Assets		
Current Liabilities		
Current portion of notes payable and lease obligations (Note 8)	$ 2,053,057	$ 2,891,594
Current portion of donor-collateralized debt (Note 9)	6,200,000	2,000,000
Accounts payable and accrued expenses	19,561,135	18,111,655
Accrued payroll	7,727,791	7,531,584
Affiliation payable (Note 11)	20,986,603	18,962,248
Estimated third-party payor settlements (Note 3)	993,369	629,392
Other current liabilities	4,462,196	3,846,639
Total current liabilities	61,984,151	53,973,112
Long-term Notes Payable and Lease Obligations - Net of current portion (Note 8)	16,931,422	17,600,666
Donor-collateralized Debt - Net of current portion (Note 9)	-	4,200,000
Long-term Affiliation Payable - Net of current portion (Note 11)	4,154,116	3,872,374
Other Liabilities	2,472,013	1,491,338
Total liabilities	85,541,702	81,137,490
Net Assets		
Unrestricted	(6,047,071)	(5,520,461)
Unrestricted - Board designated	735,953	-
Temporarily restricted (Note 14)	31,424,108	36,195,663
Permanently restricted (Note 14)	14,796,997	14,462,480
Total net assets	40,909,987	45,137,682
Total liabilities and net assets	$ **126,451,689**	$ **126,275,172**

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidated Statement of Operations

	Year Ended April 30, 2012	Year Ended April 30, 2011
Unrestricted Revenue, Gains, and Other Support		
Net patient service revenue (Note 3)	$ 226,041,212	$ 228,211,537
Other, principally grants and contracts (Note 15)	25,273,869	22,493,912
Net assets released from restrictions	12,656,058	10,604,336
Total unrestricted revenue, gains, and other support	263,971,139	261,309,785
Expenses		
Salaries and wages	71,491,880	70,338,323
Employee benefits	18,380,268	17,022,365
Supplies	7,997,102	7,914,883
Pharmaceutical supplies	35,591,146	32,473,630
Contracted services	29,501,915	26,799,705
Purchased services - DMC	60,709,850	60,602,033
Clinical arrangements	8,640,571	8,465,641
Professional fees	2,140,480	2,318,182
Lease expense (Note 17)	6,283,819	5,827,475
Occupancy	3,808,870	4,233,063
Insurance	898,472	1,126,262
Depreciation	5,930,774	5,663,679
Interest expense	1,701,996	1,755,565
Provision for bad debts	6,058,764	9,321,606
Other	4,395,271	4,629,424
Total expenses (Note 16)	263,531,178	258,491,836
Operating Income	439,961	2,817,949
Change in Unrealized (Losses) Gains on Investments (Note 5)	(1,664,093)	283,641
Impairment and Write-off of Property and Equipment	(239,315)	-
Net (Loss) Gain on Business Ventures (Notes 18 and 19)	(1,397,444)	1,210,960
Excess of Revenue (Under) Over Expenses Before Transfers	(2,860,891)	4,312,550
Transfers to WSU	(2,205,466)	(1,854,211)
Excess of Revenue (Under) Over Expenses	(5,066,357)	2,458,339
Net Assets Released from Restrictions for Capital Acquisitions	4,803,789	288,913
Other Equity Transfers (Note 1)	471,911	843,034
Increase in Unrestricted Net Assets	**$ 209,343**	**$ 3,590,286**

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidated Statement of Changes in Net Assets

	Year Ended April 30, 2012	Year Ended April 30, 2011
Unrestricted Net Assets		
Excess of revenue (under) over expenses	$ (5,066,357)	$ 2,458,339
Net assets released from restrictions for capital acquisitions	4,803,789	288,913
Other equity transfers	471,911	843,034
Increase in Unrestricted Net Assets	209,343	3,590,286
Temporarily Restricted Net Assets		
Restricted contributions (Note 4)	11,802,566	10,254,848
Restricted investment income	928,671	2,107,402
Net assets released from restriction	(17,459,847)	(10,893,249)
Other equity transfers	(42,945)	(243,034)
(Decrease) Increase in Temporarily Restricted Net Assets	(4,771,555)	1,225,967
Permanently Restricted Net Assets		
Restricted contributions	763,483	69,971
Other equity transfers	(428,966)	(600,000)
Increase (Decrease) in Permanently Restricted Net Assets	334,517	(530,029)
(Decrease) Increase in Net Assets	(4,227,695)	4,286,224
Net Assets - Beginning of year	45,137,682	40,851,458
Net Assets - End of year	**$ 40,909,987**	**$ 45,137,682**

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidated Statement of Cash Flows

	Year Ended April 30, 2012	Year Ended April 30, 2011
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (4,227,695)	$ 4,286,224
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	5,930,774	5,663,679
Impairment and write-off of property and equipment	239,315	-
Donated stock	(1,091,730)	(1,874,545)
Realized gains on investments	(732,360)	(1,079,048)
Unrealized losses (gains) on investments	1,664,093	(283,641)
Net gain on investment	-	(1,210,960)
Net loss on disposal of furniture and equipment	1,105	3,515
Provision for bad debts	6,058,764	9,321,606
Change in the present value of contributions receivable	781,758	791,487
Changes in assets and liabilities which (used) provided cash:		
Patient service receivables	(11,081,770)	(11,682,685)
Affiliation receivables	387,404	(579,457)
Estimated third-party payor settlements - Net	5,799,174	(5,481,959)
Contributions receivable	535,469	(13,894)
Other current assets	(351,218)	(1,382,296)
Donor pledges collateralizing debt	-	25,000
Other noncurrent assets	1,491,111	2,441,468
Accounts payable and accrued expenses	1,449,480	4,312,294
Affiliation payables	2,306,097	(459,613)
Accrued payroll and other current liabilities	811,764	(1,356,098)
Other noncurrent liabilities	980,675	179,135
Net cash provided by operating activities	10,952,210	1,620,212
Cash Flows from Investing Activities		
Purchase of property and equipment	(7,883,693)	(5,170,136)
Proceeds from sale of property and equipment	43,895	-
Purchase of investments	(28,973,923)	(10,020,458)
Proceeds from sale and maturities of investments	17,863,599	11,895,138
Net cash used in investing activities	(18,950,122)	(3,295,456)
Cash Flows from Financing Activities		
Proceeds from long-term debt	1,485,979	17,843,021
Principal payment on long-term debt	(2,993,760)	(10,412,698)
Payments on donor-guaranteed borrowings	-	(12,938,532)
Net cash used in financing activities	(1,507,781)	(5,508,209)
Net Decrease in Cash and Cash Equivalents	(9,505,693)	(7,183,453)
Cash and Cash Equivalents - Beginning of year	18,434,693	25,618,146
Cash and Cash Equivalents - End of year	**$ 8,929,000**	**$ 18,434,693**
Supplemental Cash Flow Information		
Cash paid for interest	$ 1,566,286	$ 1,755,565
Donated stock in payment of contribution receivable	1,091,730	1,874,545
Investment loss in joint venture	-	2,050,000
Sale of rights in affiliate in exchange for stock	-	3,260,960

Note 1 - Nature of Business and Significant Accounting Policies

Barbara Ann Karmanos Cancer Institute (the "Institute") is a not-for-profit organization which provides support for laboratory research into causes and treatments of cancer; epidemiology research which can be used to track risk factors; clinical research to improve treatment in cancer patients; community research to prevent cancer in healthy populations or to diagnose it at earlier treatable stages; and provides clinical services to cancer patients and their families such as hospice, diagnostic testing, equipment, and supplies. The Institute's services are primarily funded by research grants and contracts, revenue generated from providing services to cancer patients, and contributions from individuals, corporations, and other private foundations, including the United Way Community Services of Southeastern Michigan and other regional United Way units.

Effective December 1, 2005, the Institute purchased the cancer hospital operations from The Detroit Medical Center and established Barbara Ann Karmanos Cancer Hospital d/b/a Karmanos Cancer Center (the "Center"). The Center's sole member is the Institute and will be referred to herein as a subsidiary. The Center is a not-for-profit organization which is dedicated to the delivery of cancer care services, the treatment and care of cancer patients, and the prevention of cancer.

In May 2010, the Institute formed a wholly owned taxable subsidiary, Delphinus Investment, Inc., for the purpose of holding the Institute's share of Delphinus Medical Technologies, LLC (see Note 18).

Agreements with The Detroit Medical Center (DMC) and Wayne State University (WSU) help the Institute provide integrated cancer research and treatment opportunities for the southeastern Michigan area and to maintain the National Cancer Institute designation for Barbara Ann Karmanos Cancer Institute Comprehensive Cancer Center as one of 41 throughout the nation. Although the Institute is not under common control under either DMC or WSU, these agreements are referred to as affiliation agreements throughout the consolidated financial statements.

There is a coordinated effort among the Institute, DMC, and WSU for education, research, clinical services, community outreach, and development activities.

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of Barbara Ann Karmanos Cancer Institute and Subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Accounts Receivable - Accounts receivable for patient services, insurance companies, and governmental agencies are based on gross charges. An allowance for uncollectible accounts has been established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and industry standards and adjusted for economic conditions and other trends affecting the Institute's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors (see Note 3).

Contributions - Contributions, including promises to give and beneficial interests in lead trusts, are recorded as receivables at fair value when received and recognized as revenue concurrently. Conditional promises made by or received by the Institute are not recorded as expenses or revenue until the conditions affecting the obligation have been satisfied.

The Institute reports gifts of cash and other assets as restricted support if they are received with donor stipulations or under circumstances that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of changes in net assets as net assets released from restrictions.

The Institute reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. 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 those long-lived assets must be maintained, the Institute reports the expiration of donor restrictions when the assets are placed in service.

Inventory - Inventories, which consist mostly of pharmaceutical products and medical and office supplies, are stated at cost, determined on a first-in, first-out basis or market.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Investments - Investments in equity securities with readily determinable fair value, investments in debt securities, and funds held in escrow are measured at fair value in the consolidated balance sheet. Investments held by Wayne State University are held in a pooled investment account that is measured at fair value. Investments in a multi-strategy hedge fund are measured at net asset value, which approximates fair value. Investment income or loss (including realized and changes in unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue (under) over expenses unless the income or loss is restricted by donor or law. Changes in unrealized gains or losses on investments are excluded from income from operations.

Substantially all of the Institute's investment portfolio is classified as trading, with unrealized gains and losses included in excess of revenue over expenses.

Concentration of Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Institute's deposits may not be returned to it. The Institute's policy related to custodial credit risk of bank deposits is to maintain all deposits in a high quality institution. The Institute maintains balances in its deposit accounts to adequately cover current operating payment expenses and, as a result, generally requires balances that exceed the FDIC insurance limits of $250,000. Effective December 31, 2010, the FDIC adopted a final rule amending its deposit insurance regulations to adopt Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), providing for unlimited deposit insurance for "noninterest-bearing transaction accounts" through December 31, 2012. The uninsured cash balances total $8,359,803 at April 30, 2012.

Land, Buildings, and Equipment - Land, buildings, and equipment acquisitions are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expenses when incurred.

Donor Pledges Collateralizing Debt - Donor pledges collateralizing debt are comprised of pledges that have been committed to support and guarantee bank promissory notes (see Note 9).

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Classification of Net Assets - Net assets of the Institute are classified as permanently restricted, temporarily restricted, or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Institute's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Additionally, the board of directors has periodically directed management to designate unrestricted funds to be used for specified purposes. These funds are classified on the consolidated balance sheet as unrestricted board-designated net assets. The board retains control over board-designated net assets, and may, at its discretion, subsequently use them for other purposes. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Net Patient Service Revenue - The Institute has agreements with third-party payors that provide for payments to the Institute at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactively calculated adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance with such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

Grants and Contracts - Support is recognized as revenue when expenditures are incurred for the specific purposes established under a grant or contract.

Charity Care and Community Benefit - The Institute provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Institute does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Institute maintains records to identify and monitor the level of charity care provided. These records include the amount of charges forgone for services and supplies rendered under its charity care policy. The cost of these services is based on the direct and indirect costs of providing the charity care and is calculated based on the ratio of total expenses to gross charges. This cost ratio is then multiplied by the gross charges foregone. For the years ended April 30, 2012 and 2011, charity care services amounted to approximately $216,000 and $149,000, respectively.

In addition, under arrangements with various governmental insurance programs, the Institute provides significant care to the local Medicare population as well as the local indigent population for which reimbursement for services rendered is generally less than the cost of providing such services. For the years ended April 30, 2012 and 2011, uncompensated care amounted to a net shortfall of approximately $23,488,000 and $22,671,000, respectively.

As part of its obligation to the local communities, the Institute provides numerous other educational and patient and family programs that benefit the communities and are generally performed at no charge. The Institute provides those services through the following: access to the National Cancer Institute's Cancer Information Service and toll-free phone numbers; educational presentations, materials, and displays for prevention and early detection of cancer; genetics educational sessions; publications highlighting new initiatives in cancer research, treatment, and education; and a resource center featuring videos, literature, and special programs and resources for smoking cessation.

Additionally, the Institute makes a significant investment in cancer research. Over 300 Institute investigators conduct all forms of research into the prevention, detection, and causes of cancer including basic, clinical, translational, epidemiological, and behavioral research. For 2012 and 2011, the Institute's investment in research activities exceeded all associated revenue sources by $4,600,000 and $5,200,000, respectively, funded by other fundraising activities of the Institute and hospital operations.

Fundraising Events - Fundraising events direct expenses were $2,120,101 and $1,915,233 for the years ended April 30, 2012 and 2011, respectively, and are included with expenses on the consolidated statement of operations.

Transfers to WSU - The Institute has certain commitments to fund cancer research. These research activities take place at WSU, where the principal investigators are employed and their cancer research is sponsored. The Institute transfers funds to WSU to help cover those research-related expenditures.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Excess of Revenue (Under) Over Expenses - The consolidated statement of operations includes excess of revenue (under) over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue (under) over expenses, consistent with industry practice, include net assets released from restrictions for capital acquisitions. Other equity transfers represent changes in donor designations and net losses on investments held in donor-restricted endowment funds and are excluded from excess of revenue (under) over expenses.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status - The Institute and the Center are nonprofit, tax-exempt organizations under Section 501(a) and Section 501(c)(3) of the Internal Revenue Code; accordingly, no tax provision is reflected in the consolidated financial statements. The Institute is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. With few exceptions, the Institute is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities for years before 2008.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Institute and recognize a tax liability if the Institute has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Institute and has concluded that as of April 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

New Accounting Pronouncements - The Institute has adopted Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*, for the year ended April 30, 2012. In accordance with the ASU, the accrued liability for malpractice claims and similar liabilities and the related insurance recovery receivable will be presented separately on the consolidated balance sheet on a gross basis. Prior guidance allowed the liability to be reported net of the estimated insurance recovery receivable. The implementation of this ASU did not result in any 2011 reclassifications on the consolidated balance sheet and there was no impact on the beginning net assets.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

During 2011, the Financial Accounting Standards Board (FASB) adopted Accounting Standards Update (ASU) 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, establishing accounting and disclosures for healthcare entities that recognize significant amounts of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. The amendments in the ASU change the presentation of the statement of operations and add new disclosures that are not required under current generally accepted accounting principles for entities within the scope of this update. The provision for bad debts associated with patient service revenue for certain entities is required to be presented on a separate line as a deduction from patient service revenue (net of contractual allowances and discounts) in the consolidated statement of operations. The ASU is effective for the Institute for the year ending April 30, 2013.

Reclassification - Certain 2011 amounts have been reclassified to conform to the 2012 presentation. Third-party payor settlements were reclassified out of patient service receivables into separate lines for estimated receivable and payable settlement positions. These reclassifications had no significant effect on the April 30, 2011 net assets, change in net assets, or cash flows as previously reported.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including August 8, 2012, which is the date the consolidated financial statements were available to be issued.

Note 2 - Patient Service Receivables

The details of net patient service receivables are set forth below:

	2012	2011
Medicare	$ 4,206,633	$ 5,402,001
Medicaid	1,564,396	259,917
Blue Cross/Blue Shield of Michigan	2,099,395	(3,634,603)
Managed care	9,070,867	8,752,364
Commercial	5,118,584	2,845,596
Other	(1,029,474)	2,382,120
Total net patient service receivables	$ 21,030,401	$ 16,007,395

Note 2 - Patient Service Receivables (Continued)

The allowance for contractual adjustments was $58,030,851 and $57,477,900 as of April 30, 2012 and 2011, respectively. The allowance for uncollectible accounts was $3,730,751 and $8,696,495 as of April 30, 2012 and 2011, respectively.

Certain of the hospital net patient service receivables are collateral for a bank line of credit (see Note 8).

Note 3 - Patient Service Revenue

The Institute has agreements with third-party payors that provide for reimbursement at discounted amounts from established rates. A summary of the basis of reimbursement with these third-party payors follows:

- **Medicare** - 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 based on clinical, diagnostic, and other factors. Outpatient services related to Medicare beneficiaries are primarily reimbursed based on a prospectively determined amount per ambulatory payment classification. Approximately 29.7 percent of the Institute's net patient service revenue is received from the Medicare program.

- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Outpatient services are reimbursed on an established fee-for-service methodology. Effective January 1, 2012 and January 1, 2011, the Medicaid payment rate was estimated to total 55.3 and 56.4 percent, respectively, of the Medicare payment rate. Inpatient bone marrow transplant cases are paid on a cost basis. Approximately 15 percent of the Institute's net patient service revenue is received from the Medicaid program.

- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service, percentage of charge basis, and cost basis depending on type of service provided. Approximately 32.6 percent of the Institute's net patient service revenue is received from the Blue Cross/Blue Shield of Michigan program.

- **Other Third-party Payors** - The Institute has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The bases for reimbursement under these agreements are discounts from established charges, prospectively determined rates per discharge, percentage of hospital charges, and prospectively determined daily rates.

Note 3 - Patient Service Revenue (Continued)

Cost report settlements result from the adjustment of interim payments to final reimbursement under these programs and are subject to audit. These audits may result in changes in these estimated program settlement balances and will be adjusted in future periods as final settlements are determined.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. A demonstration project completed in several other states resulted in the identification of potential significant overpayments. The RAC program began for Michigan in 2009. The Institute is unable to determine the extent of liability for overpayments, if any.

Fees for professional and patient services, net of contractual and other adjustments, for the years ended April 30, 2012 and 2011 are as follows:

	2012	2011
Hospital services	$ 219,818,732	$ 221,989,293
Hospice services	2,684,664	2,911,697
Professional radiological services	3,280,746	3,051,615
Other professional services	169,122	154,283
Total patient services revenue	225,953,264	228,106,888
Other services	87,948	104,649
Total	$ 226,041,212	$ 228,211,537

Note 4 - Contributions Receivable

Unconditional promises to give as of April 30, 2012 and 2011 are as follows:

	2012	2011
To be received in:		
One year or less	$ 2,844,715	$ 2,836,602
Two to five years	6,498,022	7,556,882
Over five years	10,666,241	11,717,492
Total	20,008,978	22,110,976
Less present value discount	5,315,972	6,097,731
Less allowance for uncollectible pledges	15,296	18,308
Net unconditional promises to give	$ 14,677,710	$ 15,994,937

Note 4 - Contributions Receivable (Continued)

Contributions receivable have donor-imposed restrictions for use or time restrictions. Donor-imposed restrictions regarding the use of funds are typically for research, clinical and outreach programs, facilities, and various other projects.

Approximately 81 and 80 percent of the net receivable balance is due from three significant contributors at April 30, 2012 and 2011, respectively.

Note 5 - Investments

Investments are reported at fair value. Fair value is generally determined using quoted market prices. The purpose and composition of investments at April 30, 2012 and 2011 are set forth in the following tables:

	2012	2011
Purpose:		
Unrestricted	$ (753,016)	$ (1,910,138)
Donor temporarily restricted investments	15,352,248	5,092,614
Donor permanently restricted investments	13,823,815	13,970,250
Total investments	28,423,047	17,152,726
Less short-term investments	9,289,424	-
Investments greater than one-year maturity	$ 19,133,623	$ 17,152,726
Composition:		
Debt mutual funds	$ 14,074,228	$ 2,996,600
Domestic equity mutual funds	9,331,983	6,150,271
International equity mutual funds	642,381	2,282,846
Investments held by Wayne State University	3,153,930	3,341,826
Multi-strategy hedge fund	685,263	1,390,729
Other	422,244	877,454
Funds held in escrow	113,018	113,000
Total	$ 28,423,047	$ 17,152,726

Investments held by WSU consist of the I
which is held in a pooled investment account.

Note 5 - Investments (Continued)

Investment income and gains and losses are comprised of the following for the years ended April 30, 2012 and 2011:

	2012	2011
Unrestricted investment (loss) income:		
Investment loss included in other revenue, net of fees	$ (70,135)	$ (1,334,328)
Realized gain (loss) on investments	7,281	(52,729)
Change in net unrealized (losses) gains on investments	(1,664,093)	283,641
Temporarily restricted investment income:		
Realized interest and dividend income	203,593	975,625
Realized gain on investments	725,078	1,131,777
Total	$ (798,276)	$ 1,003,986

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Institute's assets measured at fair value on a recurring basis at April 30, 2012 and 2011 and the valuation techniques used by the Institute to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Institute has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

Note 6 - Fair Value Measurements (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Institute's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at April 30, 2012

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at April 30, 2012
Debt mutual funds	$ -	$ 14,074,228	$ -	$ 14,074,228
Domestic equity mutual funds	9,331,983	-	-	9,331,983
International equity mutual funds	642,381	-	-	642,381
Investments held by Wayne State University	-	-	3,153,930	3,153,930
Multi-strategy hedge fund	-	-	685,263	685,263
Other	422,244	-	-	422,244
Funds held in escrow - Money market funds	113,018	-	-	113,018
Total	$ 10,509,626	$ 14,074,228	$ 3,839,193	$ 28,423,047

Assets Measured at Fair Value on a Recurring Basis at April 30, 2011

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at April 30, 2011
Debt mutual funds	$ -	$ 2,996,600	$ -	$ 2,996,600
Domestic equity mutual funds	6,150,271	-	-	6,150,271
International equity mutual funds	2,282,846	-	-	2,282,846
Investments held by Wayne State University	-	-	3,341,826	3,341,826
Multi-strategy hedge fund	-	-	1,390,729	1,390,729
Other	877,454	-	-	877,454
Funds held in escrow - Money market funds	113,000	-	-	113,000
Total	$ 9,423,571	$ 2,996,600	$ 4,732,555	$ 17,152,726

Note 6 - Fair Value Measurements (Continued)

The Institute's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2012 and 2011.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended April 30, 2012 and 2011 are as follows:

	Investments Held by Wayne State University	Multi-strategy Hedge Fund
Balance at April 30, 2011	$ 3,341,826	$ 1,390,729
Sales	-	(662,340)
Total realized (losses) gains	(91,881)	12,322
Total unrealized gains (losses) included in change in net assets	52,076	(55,448)
Net transfers out	(148,091)	-
Balance at April 30, 2012	$ 3,153,930	$ 685,263

	Investments Held by Wayne State University	Multi-strategy Hedge Fund
Balance at April 30, 2010	$ 3,217,353	$ 358,765
Purchases	-	960,000
Total realized gains	611,783	-
Total unrealized (losses) gains included in change in net assets	(333,367)	71,964
Net transfers out	(153,943)	-
Balance at April 30, 2011	$ 3,341,826	$ 1,390,729

Observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Note 6 - Fair Value Measurements (Continued)

The investments held under Wayne State University are categorized as Level 3 assets. The fair value of the Institute's interest in these investments is equal to the net asset value of the fund given there are no restrictions on redemptions or withdrawal penalties in place by the trustee. These investments have a weekly redemption frequency. The multi-strategy hedge fund is also categorized as a Level 3 asset. The multi-strategy hedge fund invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investment have been estimated using the net asset value per share of the investment. The multi-strategy hedge fund has a quarterly redemption frequency and has no redemption restrictions or withdrawal penalties. There are no unfunded commitments.

Note 7 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following for the years ended April 30, 2012 and 2011:

	2012	2011	Depreciable Life - Years
Land	$ 1,553,405	$ 1,553,405	-
Buildings and building improvements	19,171,503	19,067,489	5-30
Transportation equipment	83,968	83,968	4-8
Leasehold improvements	6,976,708	3,390,599	10-12
Furniture - Artwork	2,586,380	1,486,187	5-20
Software, office, and computer equipment	19,244,306	15,641,243	3-20
Medical equipment	15,636,581	14,715,654	3-15
Construction in progress	686,997	2,361,354	-
Total cost	65,939,848	58,299,899	
Accumulated depreciation	(34,063,513)	(28,092,168)	
Net land, buildings, and equipment	$ 31,876,335	$ 30,207,731	

Depreciation and amortization expense on property and equipment totaled $5,930,774 and $5,663,679 in 2012 and 2011, respectively.

Medical equipment includes leased assets at April 30, 2012 and 2011 of $4,985,051, net of accumulated amortization of $3,612,521 and $2,878,589, respectively.

Computer equipment includes leased assets at April 30, 2012 and 2011 of $228,417 and $215,815, net of accumulated amortization of $204,354 and $188,341, respectively.

Note 8 - Notes Payable and Lease Obligations

Notes payable and installment obligations are comprised of the following for the years ended April 30, 2012 and 2011:

	2012	2011
Equipment financing through seller, monthly principal and interest payments of $68,660 over 84 months, interest rate at 6 percent through November 2012	$ 471,154	$ 1,241,542
Equipment financing, monthly principal and interest payments of $51,438 over 72 months, interest rate at 10 percent through May 2012	51,012	585,038
Membership interest in prior joint venture financed through seller. Interest rate at LIBOR plus 0.5 percent, principal and interest payments to be paid in a lump sum by August 2013	581,655	581,655
Bank line of credit, collateralized by certain hospital patient accounts receivable, monthly interest payments at 5.75 percent. Outstanding amounts are due at maturity on December 1, 2013	10,000,000	8,519,021
Bank term loan, collateralized by certain properties and other assets, monthly interest payments at 5.75 percent. Outstanding amounts are due at maturity on December 1, 2013	6,687,500	7,437,500
Total notes payable	17,791,321	18,364,756
Capital lease obligations	1,193,158	2,127,504
Total notes payable and capital lease obligations	18,984,479	20,492,260
Less current portion	2,053,057	2,891,594
Total long-term portion	$ 16,931,422	$ 17,600,666

Note 8 - Notes Payable and Lease Obligations (Continued)

Minimum principal payments on notes payable and aggregate payments, including estimated interest due on capital lease obligations for the years subsequent to April 30, 2012, are as follows:

Years Ending April 30		Notes Payable	Capital Leases
2013		$ 1,272,166	$ 832,126
2014		16,519,155	420,105
	Subtotal	$ 17,791,321	1,252,231
	Less amount representing interest under capital lease obligations		59,073
	Total		$ 1,193,158

Note 9 - Donor-collateralized Debt

Donor-collateralized debt is comprised of the following for the years ended April 30, 2012 and 2011:

	2012	2011
Promissory notes A-F, interest payable quarterly at an interest rate of 2.50 percent over the LIBOR-based rate through December 1, 2012, at which time the principal sum is due to a financial institution, guaranteed by various donors	$ 3,750,000	$ 3,750,000
Promissory notes I, K, and L, interest payable quarterly at an interest rate of 2.50 percent over the LIBOR-based rate through December 1, 2012, at which time the principal sum is due to a financial institution, guaranteed by various donors	450,000	450,000

Note 9 - Donor-collateralized Debt (Continued)

	2012	2011
Promissory notes G, H, and J, interest payable quarterly at an interest rate of 2.0 percent over the LIBOR-based rate through December 1, 2012, at which time the principal sum is due to a financial institution, guaranteed by various donors	$ 2,000,000	$ 2,000,000
Subtotal	6,200,000	6,200,000
Less current portion	6,200,000	2,000,000
Total long-term portion	$ -	$ 4,200,000

Donors have committed to support and guarantee various components of donor-collateralized debt. These pledges are reflected as donor pledges collateralizing debt in the consolidated balance sheet and follow the maturity schedules of the debt instruments.

The bank line of credit, bank term loan, and donor-collateralized promissory notes are subject to certain financial covenants calculated on a quarterly basis. As of April 30, 2012, the Institute was not in compliance with one of the debt covenants. Management has received a waiver from the bank for this default. The bank has also adjusted the covenant threshold through July 31, 2012.

Note 10 - Employee Benefit Plans

Employees of the Institute, upon attaining age 21 and two years of credited service, may participate on a voluntary basis in the two contributory, defined contribution money purchase pension plans. The Institute made an annual contribution to one of the plans of $1,362,005 and $1,734,720 for the years ended April 30, 2012 and 2011, respectively.

In addition to the above plans, the Institute provides certain healthcare benefits to retirees who have at least 10 years of credited service. The postretirement benefit plan was frozen effective December 31, 1999. Employees retiring after December 31, 1999 do not receive healthcare benefits. Actual cash payments related to the retiree benefit program were $76,641 and $93,842 for the years ended April 30, 2012 and 2011, respectively.

Note 11 - Transactions Under Affiliation Agreements

Consistent with affiliation agreements, funds flow between certain organizations for a variety of programmatic and operating purposes. The following revenue from certain affiliates was recorded by the Institute:

	2012	2011
Revenue received from:		
	$ 396,695	$ 574,366
	1,130,872	1,326,360
	407,940	238,934
	568,561	-
	218,101	1,183,202
Other affiliations	48,299	14,825
Total	$ 2,770,468	$ 3,337,687

The Institute provides certain patient services to DMC at amounts which approximate costs and the revenue for those services is included above.

After the purchase of cancer hospital operations from DMC, the Center continues to purchase certain clinical ancillary and non-ancillary services from DMC. The initial term of the services agreement was five years and expired November 30, 2010. The current agreement has been extended on a rolling 180-day period while the Institute is renegotiating its services agreement with the DMC.

The WSU affiliation agreement, as amended, currently expires September 30, 2014 with an automatic one-year extension unless otherwise terminated by either party with notice prior to September 30 of any year.

Note 11 - Transactions Under Affiliation Agreements (Continued)

Expenses and transfers recorded by the Institute included ancillary and non-ancillary services from DMC, leased facilities from both DMC and WSU, and research support consistent with affiliation agreements as follows:

	2012	2011
DMC	$ 71,880,975	$ 73,813,451
WSU	7,137,373	6,999,061
Total	$ 79,018,348	$ 80,812,512

Affiliation payables included $17,427,806 and $3,517,735 for DMC and WSU, respectively, at April 30, 2012 and $13,257,493 and $5,634,747 for DMC and WSU, respectively, at April 30, 2011 of amounts owed to affiliates for operating expenses. Noncurrent affiliation payables included $799,379 and $3,354,737 for DMC and WSU, respectively, at April 30, 2012 and $2,399,379 and $1,472,995 for DMC and WSU, respectively, at April 30, 2011.

As noted in Note 19, affiliation receivables and payables of $129,732 and $41,062, respectively, relate to the joint venture in Monroe Cancer Center as of April 30, 2012. Affiliation receivables and payables of $225,353 and $70,008, respectively, relate to the joint venture in Monroe Cancer Center and joint venture in Crittenton Karmanos Health Services as of April 30, 2011.

Note 12 - Commitments and Contingencies

The Institute receives funds from various organizations to finance cancer research and other services to the community. Accordingly, the Institute's compliance with applicable grant requirements may be subject to further verification by the grantors at some future date. Although expenditures that may be disallowed by the granting organizations cannot be determined at this time, the management of the Institute believes that the amount, if any, would not be material.

In February 2010, the Institute signed a contract revision with Allscripts (formerly Eclipsys) providing for continued outsourcing of its information technology services for a 10-year term and the implementation of a patient financial management system for a seven-year term. Payments under the new contract will aggregate approximately $54,000,000 through February 2020. Payments for the years ended April 30, 2012 and 2011 were approximately $6,343,000 and $7,120,000, respectively. At April 30, 2012, the remaining commitment under the contract was approximately $40,700,000, excluding annual inflation. The patient financial management system was implemented December 1, 2011.

Note 13 - Medical Malpractice Claims

The Institute, from time to time, is subject to claims and suits arising in the normal course of its operations. In the opinion of management, resolution of these claims and suits will not have a material effect on the consolidated financial statements of the Institute.

The Institute is insured against medical malpractice claims under a claims-based policy, whereby only the claims reported to the insurance carrier during the policy period are covered regardless of when the incident giving rise to the claim occurred.

Should the claims-made policy not be renewed, claims based on the occurrences during the claims-made term, but reported subsequently, may be uninsured. The Institute has the option to purchase tail coverage to cover claims based on occurrences during the claims-made term but reported subsequently.

The Institute is not aware of any medical malpractice claims, either asserted or unasserted, that would exceed the policy limits. No claims have been settled that have exceeded policy coverage limits. The cost of this insurance policy represents the Institute's cost for such claims for the year and has been charged to operations as a current expense.

Note 14 - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at April 30, 2012 and 2011:

	2012	2011
Specific program activities:		
Research	$ 10,534,323	$ 10,242,346
Clinical and outreach programs	5,575,887	8,250,409
Facilities	787,474	2,256,308
Research, clinical and outreach programs, and facilities for periods after April 30	14,526,424	15,446,600
Total temporarily restricted net assets	$ 31,424,108	$ 36,195,663

Note 14 - Temporarily and Permanently Restricted Net Assets (Continued)

Permanently restricted net assets at April 30, 2012 and 2011, as comprised below, are restricted to investments in perpetuity, the income from which is to be expended for the respective purposes:

	2012	2011
Specific program activities:		
Research	$ 13,109,490	$ 12,867,792
Clinical and outreach programs	183,788	92,860
Facilities	1,503,719	1,501,828
Total permanently restricted net assets	$ 14,796,997	$ 14,462,480

During 2011, the Institute received consent from the original donor to transfer $600,000 from one of the permanently restricted endowment funds to one of the temporarily restricted funds.

During 2012, the Institute received consent from the original donor to borrow $236,000 from one of the permanently restricted endowment funds for a temporarily restricted fund project. The amounts are being repaid into the endowment fund as other donor pledge payments are being made. As of April 30, 2012, $75,000 had been repaid into the endowment fund.

Note 15 - Other Revenue

The detail of other revenue is shown below:

	2012	2011
Donor contributions and fundraising events	$ 2,533,604	$ 3,537,956
Grants and contracts	17,795,672	15,538,940
Affiliation revenue	2,770,468	3,337,687
[illegible]	211,564	228,759
Other	1,962,561	(149,430)
Total other revenue	$ 25,273,869	$ 22,493,912

Note 16 - Functional Expenses

Most expenses have been charged to the various programs and management and general on an actual basis. Other expenses have been allocated using compensation costs as an allocation base. Although the method of allocation used is considered appropriate, other methods could be used that would produce different amounts. Expenses related to providing these services for the years ended April 30, 2012 and 2011 are as follows:

	2012	2011
Research	$ 13,300,080	$ 12,800,092
Clinical and outreach programs	219,869,304	217,304,961
Management and general	26,543,488	25,087,600
Fundraising	3,818,306	3,299,183
Total	$ 263,531,178	$ 258,491,836

Note 17 - Operating Leases

The Institute is obligated under certain operating leases, primarily for facilities and medical equipment. Total rent expense under these leases was $6,283,819 and $5,827,475 for the years ended April 30, 2012 and 2011, respectively.

The following is a schedule of future minimum lease payments under operating leases that have initial or remaining lease terms in excess of one year:

Years Ending April 30	Amount
2013	$ 7,166,208
2014	6,837,053
2015	5,724,550
2016	3,207,083
2017	2,286,301
Thereafter	2,975,024
Total	$ 28,196,219

Note 18 - Imaging Technology Development

In 1999, the Institute began to develop a proprietary apparatus for high resolution detection and characterization of medical pathologies, which is a new imaging and characterization device. The Institute has received U.S. patent protection to cover the intellectual value developed as a result of this project. A first prototype has been built and a second is under performance testing. Since 1999, $18,631,674 has been expended on the project.

Of the total amount expended by the Institute on the project, $6,490,000 was borrowed from a financial institution and $6,200,000 is still outstanding. This borrowing was collateralized by the pledges or guaranties of a number of significant donors, who currently are making the interest payments on this indebtedness. Under the terms of the pledges, if the invention fails to lead to a commercially viable product, or if the loans are otherwise required to be repaid prior to the Institute receiving funds from the product, the principal of the loans is expected to be repaid by these donors through their pledges or guaranties.

The Institute formed Delphinus Medical Technologies, LLC, a Michigan limited liability company (Delphinus LLC) in May 2008. Effective May 13, 2010, Delphinus LLC merged with and into Delphinus Medical Technologies, Inc., a Delaware corporation (Delphinus Inc.) with Delphinus Inc. being the surviving entity. As part of the merger, 3,260,950 shares of common stock of Delphinus Inc. were issued to the Institute with an estimated fair value of $3,260,960, which has been reported in net gain on business ventures in the consolidated statement of operations as of April 30, 2011. The Institute was the owner of 25.7 percent of the voting stock and has accounted for its investment in Delphinus Inc. under the equity method. Effective April 12, 2012, Delphinus Inc. received additional financing, primarily from its preferred stockholders, which resulted in a dilution of the Institute's ownership to 20.9 percent. The Institute's ownership interest in Delphinus Inc. was transferred to Delphinus Investment Inc., a wholly owned subsidiary, in May 2011. Included in the consolidated statement of operations is the Institute's share of the net losses through April 30, 2012 and 2011 of $1,397,444 and $257,341, respectively.

The summary of financial position and results of operations of Delphinus Medical Technologies, Inc. as of December 31, 2011 and 2010 is as follows: total assets were $2,547,639 and $6,480,258, total liabilities were $508,738 and $94,560, stockholders' equity totaled $2,038,901 and $6,385,698, revenue totaled $0 and $244,479, and expense totaled $4,362,314 and $872,505, respectively.

Note 19 - Joint Ventures

In 2006, the Institute entered into a joint venture with Crittenton Hospital Medical Center (Crittenton) for the purpose of owning and operating a joint radiation oncology program. In 2010, services were expanded to include other cancer-related patient care at a newly constructed facility in Rochester Hills. In consideration of the original membership interest, the Institute entered into a promissory note agreement with the other member of the joint venture in the amount of $2,525,000.

In June 2011, the two members signed a letter of intent for the Institute to sell its membership interest back to Crittenton and the sale was effective June 30, 2011. As a result of this transaction, the promissory note was reduced to approximately $584,000 and due with interest at LIBOR plus 0.5 percent by June 30, 2013. The write-down of the promissory note and the write-down of the investment in the joint venture are shown net as a loss of $2,050,000 and are included in the consolidated statement of operations in net gain on business ventures as of April 30, 2011.

While still a member of the joint venture, the Institute had a joint and several guaranteed obligation for the mortgage loan through the bank. Until Crittenton can refinance the mortgage loan to exclude the Institute, the Institute remains obligated under the financing documents. As of April 30, 2012, the outstanding balance on this loan is $12,094,255 and is payable through December 31, 2013. Crittenton is making all payments due on the loans and all related expenses. Included in the June 2011 letter of intent, Karmanos has full indemnity from Crittenton for any demands, expenses, losses, etc. arising from the guaranty.

Effective October 2009, the Institute entered into a joint venture with two other facilities for the purpose of owning and operating a radiation oncology program in Monroe, Michigan. The three organizations are equal members in the not-for-profit, non-stock corporation. The two other organizations made cash contributions for their membership and the Institute has provided the Certificate of Need for the radiation oncology equipment. The joint venture is leasing space for the operations in a facility owned by one of the other members. The facility became operational in June 2011. There was $129,732 and $8,500 as of April 30, 2012 and 2011, respectively, included in affiliation receivables due from the joint venture to reimburse the Institute for organization costs. Additionally, there was $41,062 and $0 as of April 30, 2012 and 2011, respectively, included in affiliation payables due to the joint venture.

The summary of financial position and results of operations of the joint venture in Monroe as of December 31, 2011 and 2010 is as follows: total assets were $2,704,364 and $2,568,993, total liabilities were $468,675 and $437,964, net assets totaled $2,235,689 and $2,131,029, revenue totaled $1,420,613 and $0, and expense totaled $1,315,953 and $75,119, respectively.

Note 20 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents - The carrying amount approximates fair value because of the short maturity of those instruments.

Investments - Fair values, which are the amounts reported in the consolidated balance sheet, are determined based on the level of input as described above.

Accounts Receivable, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the consolidated balance sheet for accounts receivable, accounts payable, and accrued liabilities approximates its fair value.

Estimated Third-party Payor Settlements - Net - The carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements - net approximates its fair value.

Notes Payable and Lease Obligations - The fair value of the Institute's notes payable and lease obligations is estimated using discounted cash flow analysis, based on current investment borrowing rates for similar types of borrowing arrangements. The carrying amount reported in the consolidated balance sheet for notes payable and lease obligations approximates its fair value.

Donor-collateralized Debt - The carrying amount reported in the consolidated balance sheet for donor-collateralized debt approximates its fair value.

Note 21 - Donor- and Board-restricted Endowments

The Institute's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Note 21 - Donor- and Board-restricted Endowments (Continued)

The Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment Net Asset Composition by Type of Fund as of April 30, 2012

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 2,926,195	$ 14,796,997	$ 17,723,192

Changes in Endowment Net Assets for the Fiscal Year Ended April 30, 2012

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ 4,491,263	$ 14,462,480	$ 18,953,743
Net depreciation (realized and unrealized)	(804,946)	-	(804,946)
Contributions	-	763,483	763,483
Other changes - Equity transfers	(760,122)	(428,966)	(1,189,088)
Endowment net assets - End of year	$ 2,926,195	$ 14,796,997	$ 17,723,192

Endowment Net Asset Composition by Type of Fund as of April 30, 2011

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4,491,263	$ 14,462,480	$ 18,953,743

Note 21 - Donor- and Board-restricted Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended April 30, 2011

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ 3,575,045	$ 14,992,509	$ 18,567,554
Net appreciation (realized and unrealized)	2,373,791	-	2,373,791
Contributions	-	69,971	69,971
Other changes - Equity transfers	(1,457,573)	(600,000)	(2,057,573)
Endowment net assets - End of year	$ 4,491,263	$ 14,462,480	$ 18,953,743

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles (GAAP), deficiencies of this nature that are reported in unrestricted net assets were $167,478 and $246,862 as of April 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the board of directors.

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets and their investment returns that attempt to provide funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to meet fiduciary requirements, follows a stated spending policy, and strives to expand the purchasing power while tolerating the risk of interim fluctuations in the market value. The Institute expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount.

Note 21 - Donor- and Board-restricted Endowments (Continued)

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Institute has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior four quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Institute considered the long-term expected return on its endowment. Accordingly, over the long term, the Institute expects the current spending policy to allow its endowment to grow at an average of 2 percent annually. This is consistent with the Institute's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 22 - The American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 (AARA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record technology (EHR) by 2014. The Institute may receive an incentive payment for up to four years, provided the Institute demonstrates meaningful use of certified EHR technology during the EHR reporting period. Criteria for demonstrating meaningful use is established by the Centers of Medicare and Medicaid Services (CMS) using a phased approach defining meaningful use through three stages. Stage One has been defined and is applicable to the federal fiscal year 2011 and 2012 payments. For Medicare, the incentive payments are based on estimated total hospital discharges and days, Medicare days, and total hospital charges less charity care.

During 2012, the Institute attested to Medicaid that it had met the first stage of meaningful use criteria for the first year EHR reporting period. The Institute received $736,000 in EHR funds in 2012 for Medicaid. As such, the incentive payments were recognized as income within operating revenue for fiscal year 2012.

Retroactively calculated adjustments to the incentive payments recorded may occur as incentive payments are based on management's best estimates and the amounts are subject to change until final settlement occurs on related Medicare cost reports. Changes to incentive payment revenue will be recorded within operating income in the period in which the adjustments occur.

Note 22 - The American Recovery and Reinvestment Act of 2009 (Continued)

Management believes that it is in compliance with all applicable meaningful use criteria as attested. Final determination of the Institute attestation is subject to audit by the federal government or its designee.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Directors
Barbara Ann Karmanos Cancer Institute
and Subsidiaries

We have audited the consolidated financial statements of Barbara Ann Karmanos Cancer Institute and Subsidiaries as of and for the years ended April 30, 2012 and 2011. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheet, statement of operations, and cash flows in the accompanying schedules are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Plante & Moran, PLLC

August 8, 2012

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidating Balance Sheet
April 30, 2012

	Karmanos Cancer Institute	Karmanos Cancer Center	Delphinus Investment Inc.	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 2,921,599	$ 6,007,401	$ -	$ 8,929,000
Short-term investments	9,289,424	-	-	9,289,424
Patient service receivables - Net	295,620	20,734,781	-	21,030,401
Contributions receivable	2,844,715	-	-	2,844,715
Affiliation receivables	1,514,781	1,077,386	-	2,592,167
Donor pledges collateralizing debt	6,200,000	-	-	6,200,000
Estimated third-party payor settlements	-	676,154	-	676,154
Other receivables	864,966	3,608,774	-	4,473,740
Prepaid expenses and other	1,801,727	1,179,569	-	2,981,296
Inventory	10,556	2,319,049	-	2,329,605
Total current assets	25,743,388	35,603,114	-	61,346,502
Investments	19,020,605	113,018	-	19,133,623
Land, Buildings, and Equipment - Net	7,203,396	24,672,939	-	31,876,335
Intercompany Receivables	(25,346,349)	25,346,349	-	-
Contributions Receivable - Net of current portion	11,832,995	-	-	11,832,995
Other Noncurrent Assets	1,432	755,131	1,505,671	2,262,234
Total assets	**$ 38,455,467**	**$ 86,490,551**	**$ 1,505,671**	**$ 126,451,689**
Liabilities and Net Assets				
Current Liabilities				
Current portion of notes payable and lease obligations	$ -	$ 2,053,057	$ -	$ 2,053,057
Current portion of donor-collateralized debt	6,200,000	-	-	6,200,000
Accounts payable and accrued expenses	8,356,251	11,204,884	-	19,561,135
Accrued payroll	5,129,489	2,598,302	-	7,727,791
Affiliation payable	3,212,758	17,773,845	-	20,986,603
Estimated third-party payor settlements	-	993,369	-	993,369
Other current liabilities	3,421,087	1,041,109	-	4,462,196
Total current liabilities	26,319,585	35,664,566	-	61,984,151
Long-term Notes Payable and Lease Obligations - Net of current portion	-	16,931,422	-	16,931,422
Long-term Affiliation Payable - Net of current portion	3,354,737	799,379	-	4,154,116
Other Liabilities	531,442	1,940,571	-	2,472,013
Total liabilities	30,205,764	55,335,938	-	85,541,702
Net Assets				
Unrestricted	(37,454,269)	29,901,527	1,505,671	(6,047,071)
Unrestricted - Board designated	-	735,953	-	735,953
Temporarily restricted	30,906,975	517,133	-	31,424,108
Permanently restricted	14,796,997	-	-	14,796,997
Total net assets	8,249,703	31,154,613	1,505,671	40,909,987
Total liabilities and net assets	**$ 38,455,467**	**$ 86,490,551**	**$ 1,505,671**	**$ 126,451,689**

Consolidating Balance Sheet
April 30, 2011

	Karmanos Cancer Institute	Karmanos Cancer Center	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 11,793,013	$ 6,641,680	$ 18,434,693
Patient service receivables - Net	688,476	15,318,919	16,007,395
Contributions receivable	2,836,602	-	2,836,602
Affiliation receivables	1,713,790	1,265,781	2,979,571
Donor pledges collateralizing debt	2,000,000	-	2,000,000
Estimated third-party payor settlements	-	6,111,351	6,111,351
Other receivables	819,346	2,864,378	3,683,724
Prepaid expenses and other	1,864,947	1,619,296	3,484,243
Inventory	11,203	2,254,253	2,265,456
Total current assets	21,727,377	36,075,658	57,803,035
Investments	17,039,726	113,000	17,152,726
Land, Buildings, and Equipment - Net	7,835,841	22,371,890	30,207,731
Intercompany Receivables	(17,707,441)	17,707,441	-
Contributions Receivable - Net of current portion	13,158,335	-	13,158,335
Donor Pledges Collateralizing Debt - Net of current portion	4,200,000	-	4,200,000
Other Noncurrent Assets	3,007,505	745,840	3,753,345
Total assets	$ 49,261,343	$ 77,013,829	$ 126,275,172
Liabilities and Net Assets			
Current Liabilities			
Current portion of notes payable and lease obligations	$ 123,045	$ 2,768,549	$ 2,891,594
Current portion of donor-collateralized debt	2,000,000	-	2,000,000
Accounts payable and accrued expenses	8,880,910	9,230,745	18,111,655
Accrued payroll	5,134,829	2,396,755	7,531,584
Affiliation payable	4,347,762	14,614,486	18,962,248
Estimated third-party payor settlements	-	629,392	629,392
Other current liabilities	3,261,504	585,135	3,846,639
Total current liabilities	23,748,050	30,225,062	53,973,112
Long-term Notes Payable and Lease Obligations - Net of current portion	7,760	17,592,906	17,600,666
Donor-collateralized Debt - Net of current portion	4,200,000	-	4,200,000
Long-term Affiliation Payable - Net of current portion	1,472,995	2,399,379	3,872,374
Other Liabilities	561,338	930,000	1,491,338
Total liabilities	29,990,143	51,147,347	81,137,490
Net Assets			
Unrestricted	(29,845,071)	24,324,610	(5,520,461)
Temporarily restricted	34,653,791	1,541,872	36,195,663
Permanently restricted	14,462,480	-	14,462,480
Total net assets	19,271,200	25,866,482	45,137,682
Total liabilities and net assets	$ 49,261,343	$ 77,013,829	$ 126,275,172

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidating Statement of Operations
Year Ended April 30, 2012

	Karmanos Cancer Institute	Karmanos Cancer Center	Delphinus Investment Inc.	Total
Unrestricted Revenue, Gains, and Other Support				
Net patient service revenue	$ 2,927,751	$ 223,113,461	$ -	$ 226,041,212
Other, principally grants and contracts	11,276,000	13,997,869	-	25,273,869
Net assets released from restrictions	12,207,785	448,273	-	12,656,058
Total unrestricted revenue, gains, and other support	26,411,536	237,559,603	-	263,971,139
Expenses				
Salaries and wages	17,982,176	53,509,704	-	71,491,880
Employee benefits	4,706,543	13,673,725	-	18,380,268
Supplies	1,611,889	6,385,213	-	7,997,102
Pharmaceutical supplies	314,578	35,276,568	-	35,591,146
Contracted services	10,922,416	18,579,499	-	29,501,915
Purchased services - DMC	1,056	60,708,794	-	60,709,850
Clinical arrangements	12,231	8,628,340	-	8,640,571
Professional fees	1,166,116	974,364	-	2,140,480
Lease expense	1,106,976	5,176,843	-	6,283,819
Occupancy	668,614	3,140,256	-	3,808,870
Insurance	83,686	814,786	-	898,472
Depreciation	1,806,380	4,124,394	-	5,930,774
Interest expense	287,204	1,414,792	-	1,701,996
Provision for bad debts	27,692	6,031,072	-	6,058,764
Other	3,126,921	1,268,350	-	4,395,271
Corporate allocation	(15,841,722)	15,841,722	-	-
Total expenses	27,982,756	235,548,422	-	263,531,178
Operating (Loss) Income	(1,571,220)	2,011,181	-	439,961
Change in Unrealized Losses on Investments	(1,664,093)	-	-	(1,664,093)
Impairment and Write-off of Property and Equipment	-	(239,315)	-	(239,315)
Net Loss on Business Ventures	-	-	(1,397,444)	(1,397,444)
Excess of Revenue (Under) Over Expenses Before Transfers	(3,235,313)	1,771,866	(1,397,444)	(2,860,891)
Transfers to WSU	(2,002,386)	(203,080)	-	(2,205,466)
Excess of Revenue (Under) Over Expenses	(5,237,699)	1,568,786	(1,397,444)	(5,066,357)
Net Assets Released from Restrictions for Capital Acquisitions	59,705	4,744,084	-	4,803,789
Other Equity Transfers	(2,431,204)	-	2,903,115	471,911
(Decrease) Increase in Unrestricted Net Assets	$ (7,609,198)	$ 6,312,870	$ 1,505,671	$ 209,343

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidating Statement of Operations
Year Ended April 30, 2011

	Karmanos Cancer Institute	Karmanos Cancer Center	Total
Unrestricted Revenue, Gains, and Other Support			
Net patient service revenue	$ 3,115,628	$ 225,095,909	$ 228,211,537
Other, principally grants and contracts	11,775,745	10,718,167	22,493,912
Net assets released from restrictions	9,918,510	685,826	10,604,336
Total unrestricted revenue, gains, and other support	24,809,883	236,499,902	261,309,785
Expenses			
Salaries and wages	17,400,940	52,937,383	70,338,323
Employee benefits	4,451,038	12,571,327	17,022,365
Supplies	1,943,071	5,971,812	7,914,883
Pharmaceutical supplies	296,313	32,177,317	32,473,630
Contracted services	10,408,800	16,390,905	26,799,705
Purchased services - DMC	-	60,602,033	60,602,033
Clinical arrangements	15,629	8,450,012	8,465,641
Professional fees	1,425,321	892,861	2,318,182
Lease expense	642,804	5,184,671	5,827,475
Occupancy	1,006,347	3,226,716	4,233,063
Insurance	82,972	1,043,290	1,126,262
Depreciation	1,540,492	4,123,187	5,663,679
Interest expense	256,363	1,499,202	1,755,565
Provision for bad debts	12,925	9,308,681	9,321,606
Other	3,653,530	975,894	4,629,424
Corporate allocation	(15,455,197)	15,455,197	-
Total expenses	27,681,348	230,810,488	258,491,836
Operating (Loss) Income	(2,871,465)	5,689,414	2,817,949
Change in Unrealized Gains on Investments	283,641	-	283,641
Net Gain (Loss) on Business Ventures	3,260,960	(2,050,000)	1,210,960
Excess of Revenue Over Expenses Before Transfers	673,136	3,639,414	4,312,550
Transfers to WSU	(1,791,458)	(62,753)	(1,854,211)
Excess of Revenue (Under) Over Expenses	(1,118,322)	3,576,661	2,458,339
Net Assets Released from Restrictions for Capital Acquisitions	226,902	62,011	288,913
Other Equity Transfers	843,034	-	843,034
(Decrease) Increase in Unrestricted Net Assets	**$ (48,386)**	**$ 3,638,672**	**$ 3,590,286**

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidating Statement of Cash Flows
Year Ended April 30, 2012

	Karmanos Cancer Institute	Karmanos Cancer Center	Delphinus Investment Inc.	Total
Cash Flows from Operating Activities				
(Decrease) increase in net assets	$ (11,021,497)	$ 5,288,131	$ 1,505,671	$ (4,227,695)
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:				
Depreciation	1,806,380	4,124,394	-	5,930,774
Impairment and write-off of property and equipment	-	239,315	-	239,315
Donated stock	(1,091,730)	-	-	(1,091,730)
Realized gains on investments	(732,360)	-	-	(732,360)
Unrealized losses on investments	1,664,093	-	-	1,664,093
Net loss on disposal of furniture and equipment	1,105	-	-	1,105
Provision for bad debt	27,692	6,031,072	-	6,058,764
Change in the present value of contributions receivable	781,758	-	-	781,758
Patient service receivables	365,162	(11,446,932)	-	(11,081,770)
Affiliation receivables	199,010	188,394	-	387,404
Estimated third-party payor settlements - Net	-	5,799,174	-	5,799,174
Contributions receivable	535,469	-	-	535,469
Other current assets	7,657,154	(8,008,372)	-	(351,218)
Other noncurrent assets	3,006,073	(9,291)	(1,505,671)	1,491,111
Accounts payable and accrued expenses	(524,659)	1,974,139	-	1,449,480
Affiliation payables	746,738	1,559,359	-	2,306,097
Accrued payroll and other current liabilities	154,241	657,523	-	811,764
Other noncurrent liabilities	(29,896)	1,010,571	-	980,675
Net cash provided by operating activities	3,544,733	7,407,477	-	10,952,210
Cash Flows from Investing Activities				
Purchase of property and equipment	(1,175,018)	(6,708,675)	-	(7,883,693)
Proceeds from sale of property and equipment	-	43,895	-	43,895
Purchase of investments	(28,973,923)	-	-	(28,973,923)
Proceeds from sale of maturities of investments	17,863,599	-	-	17,863,599
Net cash used in investing activities	(12,285,342)	(6,664,780)	-	(18,950,122)
Cash Flows from Financing Activities				
Notes payable borrowings	-	1,485,979	-	1,485,979
Principal payment on long-term debt	(130,805)	(2,862,955)	-	(2,993,760)
Net cash used in financing activities	(130,805)	(1,376,976)	-	(1,507,781)
Net Decrease in Cash and Cash Equivalents	(8,871,414)	(634,279)	-	(9,505,693)
Cash and Cash Equivalents - Beginning of year	11,793,013	6,641,680	-	18,434,693
Cash and Cash Equivalents - End of year	$ **2,921,599**	$ **6,007,401**	$ -	$ **8,929,000**
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	$ 278,888	$ 1,287,398	$ -	$ 1,566,286
Donated stock in payment of contribution receivable	1,091,730	-	-	1,091,730

Barbara Ann Karmanos Cancer Institute and Subsidiaries

Consolidating Statement of Cash Flows
Year Ended April 30, 2011

	Karmanos Cancer Institute	Karmanos Cancer Center	Totals
Cash Flows from Operating Activities			
Increase in net assets	$ 744,244	$ 3,541,980	$ 4,286,224
Adjustments to reconcile increase in net assets to net cash from operating activities:			
Depreciation	1,540,492	4,123,187	5,663,679
Donated stock	(1,874,545)	-	(1,874,545)
Realized gains on investments	(1,079,048)	-	(1,079,048)
Unrealized gains on investments	(283,641)	-	(283,641)
Net (gain) loss on investments	(3,260,960)	2,050,000	(1,210,960)
Net loss on disposal of miscellaneous furniture and equipment	-	3,515	3,515
Provision for bad debt	12,925	9,308,681	9,321,606
Change in the present value of contributions receivable	791,487	-	791,487
Patient service receivables	141,131	(11,823,816)	(11,682,685)
Affiliation receivables	(413,619)	(165,838)	(579,457)
Estimated third-party payor settlements - Net	-	(5,481,959)	(5,481,959)
Contributions receivable	(13,894)	-	(13,894)
Other current assets	1,368,956	(2,751,252)	(1,382,296)
Donor pledges collateralizing debt	25,000	-	25,000
Other noncurrent assets	294,832	2,146,636	2,441,468
Accounts payable and accrued expenses	1,711,711	2,600,583	4,312,294
Affiliation payables	(258,152)	(201,461)	(459,613)
Accrued payroll and other current liabilities	73,479	(1,429,577)	(1,356,098)
Other noncurrent liabilities	(353,481)	532,616	179,135
Net cash (used in) provided by operating activities	(833,083)	2,453,295	1,620,212
Cash Flows from Investing Activities			
Purchase of property and equipment	(2,473,948)	(2,696,188)	(5,170,136)
Purchase of investments	(10,020,458)	-	(10,020,458)
Proceeds from sale of maturities of investments	11,891,388	3,750	11,895,138
Net cash used in investing activities	(603,018)	(2,692,438)	(3,295,456)
Cash Flows from Financing Activities			
Notes payable borrowings	-	17,843,021	17,843,021
Principal payment on long-term debt	(178,939)	(10,233,759)	(10,412,698)
Payments on donor-guaranteed borrowings	(25,000)	(12,913,532)	(12,938,532)
Net cash used in financing activities	(203,939)	(5,304,270)	(5,508,209)
Net Decrease in Cash and Cash Equivalents	(1,640,040)	(5,543,413)	(7,183,453)
Cash and Cash Equivalents - Beginning of year	13,433,053	12,185,093	25,618,146
Cash and Cash Equivalents - End of year	**$ 11,793,013**	**$ 6,641,680**	**$ 18,434,693**
Supplemental Cash Flow Information			
Cash paid for interest	$ 256,363	$ 1,499,202	$ 1,755,565
Donated stock in payment of contribution receivable	1,874,545	-	1,874,545
Investment loss in joint venture	-	2,050,000	2,050,000
Sale of rights in affiliate in exchange for stock	3,260,960	-	3,260,960

Additional Data

Software ID: 11000129
Software Version: v1.00
EIN: 20-1649466
Name: BARBARA ANN KARMANOS CANCER HOSPITAL

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Charles E Becker Chairman	1	X						0	0	0
Leslie Bowman Board Member	1	X						0	0	0
Armando R Cavazos Board Member	1	X						0	0	0
Ethan Davidson Board Member	1	X						0	0	0
Myron Frasier Board Member	1	X						0	0	0
Shirish Gadgeel Board Member	1	X						0	0	0
Thomas A Goss Board Member	1	X						0	0	0
S Scott Hunter Board Member	1	X						0	0	0
Thomas Kalas Board Member	1	X						0	0	0
Timothy Monahan Board Member	1	X						0	0	0
Valerie Parisi MD Board Member	1	X						0	0	0
W James Prowse Board Member	1	X						0	0	0
Anthony Rusciano Board Member	1	X						0	0	0
Alan S Schwartz Board Member	1	X						0	0	0
Maureen L Stapleton Board Member	1	X						0	0	0
Jane R Thomas PhD Board Member	1	X						0	0	0
Samuel Thomas Board Member	1	X						0	0	0
Manuel Valdivieso MD Board Member	1	X						0	0	0
George H Yoo MD Chief Medical Director	40	X			X			0	0	0
Gerold Bepler President	40	X		X				0	474,364	25,858
Sharon L Lukas Chief of Staff / Secretary	40			X				0	115,443	10,442
Michael Grisdela Treasurer	40			X				0	160,380	13,801
Gary Morrison Chief Operating Officer	40				X			0	300,030	17,856
Karen Goldman VP, Cancer Patient Services/CNO	40				X			178,375	0	19,093
Kathleen Carolin VP, Operations	40				X			159,451	0	12,443

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Sharon Helmer MD Breast Imaging	40					X		538,710	0	29,717
Garrett Walworth Radiologist	40					X		511,550	0	23,273
Natasha Robinette Radiologist	40					X		502,035	0	23,205
Hussein Aoun Radiologist	40					X		475,839	0	17,138
Michael Petrich Radiologist	40					X		466,464	0	17,053
Debra Herring VP, Clinics	0						X	184,514	0	12,870