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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

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

C Name of organization
CORNING HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
176 DENISON PARKWAY E
Suite

City or town, state or country, and ZIP + 4
CORNING, NY 148302814

D Employer identification number
16-0393490

E Telephone number
(607) 937-7200

G Gross receipts $ 269,249,830

F Name and address of principal officer
Shirley Magana
176 Denison Parkway e
Corning, NY 14830

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: ▶ http //www corninghospital com

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

L Year of formation 1900

M State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE MEDICAL CARE SERVICES TO THE PUBLIC HELP EACH PERSON ATTAIN OPTIMAL, LIFE-LONG HEALTH AND WELL-BEING BY PROVIDING CLINICALLY- ADVANCED SERVICES TO PREVENT, DIAGNOSE AND TREAT DISEASE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	26
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	18
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	695
6	Total number of volunteers (estimate if necessary)	**6**	81
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	386,720
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-50,912

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	545,477	2,587,547
9	Program service revenue (Part VIII, line 2g)	82,086,631	89,975,415
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	67,364	8,999,824
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	218,462	-10,057
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	82,917,934	101,552,729
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	31,430,568	31,961,627
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶94,838		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	41,118,113	42,955,605
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	72,548,681	74,917,232
19	Revenue less expenses Subtract line 18 from line 12	10,369,253	26,635,497

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	132,327,686	160,141,982
21	Total liabilities (Part X, line 26)	57,943,683	59,118,032
22	Net assets or fund balances Subtract line 21 from line 20	74,384,003	101,023,950

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: 2013-11-13

▶ FRANCIS M MACAFEE CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ PricewaterhouseCoopers LLP			Firm's EIN ▶	
Firm's address ▶ 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103			Phone no (267) 330-3000	

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

HELP EACH PERSON ATTAIN OPTIMAL, LIFE-LONG HEALTH AND WELL-BEING BY PROVIDING INTEGRATED CLINICALLY-ADVANCED SERVICES THAT DIAGNOSE, PREVENT AND TREAT DISEASE WITHIN AN ENVIRONMENT OF COMPASSION, LEARNING AND DISCOVERY MAKING A MEANINGFUL DIFFERENCE IN LIVES OF THOSE WE SERVE THROUGH COMPASSION AND EXCELLENCE IN HEALTH CARE EVERY PERSON EVERY TIME

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 56,949,719 including grants of $) (Revenue $ 89,975,415)

We are a 99-bed acute care facility with 24 hour emergency services and a full compliment of inpatient and out-patient treatment services Inpatient days of 14,697 and outpatient visits of 122,199 Run a Cancer Center therapeutic radiology extension clinic with medical oncology and cancer support services, and a Wellness & Fitness Center that is a medical fitness & rehabilitation extension clinic Other programs include cardiac rehab/wellness, diabetes classes, JointCamp, Smoke Stoppers, executive health, and screening programs No one denied emergency care based on ability to pay Have a charity care policy for medically necessary services

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 56,949,719

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	1		
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	695		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 26		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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

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

▶ FRANCIS M MACAFEE 176 DENSION PARKWAY E CORNING, NY (607) 937-7917

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								1,237,534	2,762,786	376,914

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 ▶ 24

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
QUEST DIAGNOSTICS , 2249 COLLECTION CENTER DRIVE CHICAGO IL 60693	Lab Pathology Servs	253,147
SIEMENS MEDICAL , 51 VALLEY STREAM PARKWAY MALVERN PA 19355	MAINT SVCE AGREEMT	271,939
EXECUTIVE HEALTH RESOURCE , PO Box 822688 PHILADELPHIA PA 19182	CONSULT-HEALTHRECORD	407,993
PARIS COMPANIES , 3850 REACH ROAD WILLIAMSPORT PA 17701	LAUNDRY SERVICES	216,833
NURSEFINDERS , PO BOX 910738 DALLAS TX 753910738	TEMPORARY STAFFING	187,601
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 ▶ 11		

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	44,293			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,543,254			
	g	Noncash contributions included in lines 1a-1f $		23,298			
	h	**Total.** Add lines 1a-1f			2,587,547		
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	621990		85,116,812	85,116,812	
	b	OTHER OPERATING INCOME	900099		2,455,518	2,455,518	
	c	MEDICAL LAB SERVICES	621500		386,720		386,720
	d	MEANINGFUL USE REVENUE	621990		2,016,365	2,016,365	
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			89,975,415		
	3	Investment income (including dividends, interest, and other similar amounts)			2,479,717		2,479,717
	4	Income from investment of tax-exempt bond proceeds			0		
	5	Royalties			0		
			(i) Real	(ii) Personal			
	6a	Gross rents	13,680				
	b	Less rental expenses	23,737				
	c	Rental income or (loss)	-10,057	0			
	d	Net rental income or (loss)			-10,057		-10,057
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	174,160,451	33,020			
	b	Less cost or other basis and sales expenses	167,644,890	28,474			
	c	Gain or (loss)	6,515,561	4,546			
	d	Net gain or (loss)			6,520,107		6,520,107
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events			0		
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities			0		
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory			0		
		Miscellaneous Revenue		Business Code			
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d			0		
	12	**Total revenue.** See Instructions			101,552,729	89,588,695	386,720	8,989,767

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	628,180		628,180	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	24,603,705	21,401,159	3,176,797	25,749
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,792,556	1,521,413	270,185	958
9 Other employee benefits	3,077,494	2,611,991	463,859	1,644
10 Payroll taxes	1,859,692	1,576,467	282,245	980
11 Fees for services (non-employees)				
a Management	2,083,520		2,083,520	
b Legal	220,026		220,026	
c Accounting	637,273		637,273	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	8,509,175	5,546,660	2,961,338	1,177
12 Advertising and promotion	55,348	1,013	54,335	
13 Office expenses	2,112,232	1,277,005	776,164	59,063
14 Information technology	2,200,923	660,940	1,539,983	
15 Royalties . .	0			
16 Occupancy	1,882,519	284,602	1,597,722	195
17 Travel	116,826	39,539	76,895	392
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	89,185	8,686	80,499	
20 Interest	314,295		314,295	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	5,108,674	2,105,007	2,999,767	3,900
23 Insurance	807,916		807,916	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBT EXPENSE	5,627,948	5,695,462	-67,514	
b MEDICAL SUPPLY EXPENSE	13,891,595	14,100,850	-209,583	328
c CAFETERIA AND CATERING	42,108	16,567	25,089	452
d UBI AND SALES TAX	58,092	50,004	8,088	
e All other expenses	-802,050	52,354	-854,404	
25 **Total functional expenses.** Add lines 1 through 24e	74,917,232	56,949,719	17,872,675	94,838
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		4,211,759	1	2,216,602
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		184,983	3	1,871,414
	4	Accounts receivable, net		9,201,235	4	9,485,659
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		3,004,673	7	2,901,645
	8	Inventories for sale or use		1,486,453	8	1,488,946
	9	Prepaid expenses and deferred charges		1,594,703	9	3,843,002
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 75,749,045			
	b	Less accumulated depreciation	10b 41,273,553	17,112,340	10c	34,475,492
	11	Investments—publicly traded securities		94,529,755	11	98,409,063
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	320,000
	15	Other assets See Part IV, line 11		1,001,785	15	5,130,159
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		132,327,686	16	160,141,982
Liabilities	17	Accounts payable and accrued expenses		8,272,724	17	11,638,404
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		49,670,959	25	47,479,628
	26	**Total liabilities.** Add lines 17 through 25		57,943,683	26	59,118,032
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		73,164,249	27	98,036,032
	28	Temporarily restricted net assets		391,330	28	2,159,494
	29	Permanently restricted net assets		828,424	29	828,424
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		74,384,003	33	101,023,950
	34	Total liabilities and net assets/fund balances		132,327,686	34	160,141,982

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	101,552,729
2	Total expenses (must equal Part IX, column (A), line 25)	2	74,917,232
3	Revenue less expenses Subtract line 2 from line 1	3	26,635,497
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	74,384,003
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-72,774
9	Other changes in net assets or fund balances (explain in Schedule O)	9	77,224
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	101,023,950

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		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		

Additional Data

Software ID:
Software Version:
EIN: 16-0393490
Name: CORNING HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DAVID E IOCCO MEMBER - BOD	1 0	X								
MICHAEL W DONNELLY MEMBER - BOD	1 0	X								
ARTHUR D FIELD MEMBER - BOD	1 0	X								
JUDITH ROWE MEMBER - BOD	1 0	X								
DAVID AUSTIN MD MEMBER-BOD-MED STAFF VP	1 0 40 0	X							345,520	45,270
JOHN E BENJAMIN MEMBER - BOD	1 0	X								
DANIEL BOWER 2ND VICE CHAIR	1 0	X								
CHARLES A CORRAO MEMBER - BOD	1 0	X								
LOUIS R DUBOIS MD MEMBER-BOD-Med Staff Pres	1 0 40 0	X							381,058	45,270
ALAN D LEWIS SECRETARY - BOD	1 0	X								
MARIE DROEGE MEMBER - BOD	1 0 40 0	X							413,962	15,389
J MICHAEL SCALZONE MD MEMBER - BOD Med Staff Sec	40 0	X							331,220	45,270
MARK STENSAGER MEMBER - BOD	1 0 20 0	X							661,194	16,374
G THOMAS TRANTER JR 1st VICE CHAIR-BOD	1 0	X								
JOHN VAN ZANTEN III MEMBER - BOD	1 0	X								
MARCIA WEBER MEMBER - BOD	1 0	X								
RUSSELL C WOGLOM MD MEMBER - BOD	1 0 40 0	X							338,839	45,270
JEFFREY P KENEFICK TREASURER - BOD	1 0	X								
CHRISTOPHER J FORTIER MEMBER - BOD	1 0	X								
David McCorvey MD MEMBER-BOD-Med Staff Treas	1 0 40 0	X							164,077	36,379
Philip J Roche ESQ CHAIRMAN - BOD	1 0	X								
Mary Beth Grimaldi-Maxa MEMBER - BOD	1 0	X								
SHIRLEY MAGANA PRESIDENT/COO	40 0	X		X				266,516		15,567
FRAN OLMSTEAD MEMBER-BOD	1 0	X								
DANIEL ROURKE MEMBER-BOD	1 0	X								

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CATHY WEIL MEMBER-BOD	1 0	X								
FRANCIS M MACAFEE CFO/VP FINANCE	40 0			X				186,455		13,951
LAURA MANNING DIRECTOR HR OPERATIONS	1 0 40 0				X				126,916	8,421
DEBRA RAUPERS CHIEF NURSING OFFICER	40 0				X			126,762		18,928
JOHN DIBONA DIRECTOR OF PHARMACY	40 0					X		137,067		8,729
COLIN BAILEY RADIATION PHYSICIST	40 0					X		174,762		6,150
Scott Stevens Pharmacist	40 0					X		128,504		14,839
LISA STODDARD RN CARDIAC REHAB	40 0					X		101,817		22,480
Evan Davis Pharmacist	40 0					X		115,651		18,627

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CORNING HOSPITAL

Employer identification number
16-0393490

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
CORNING HOSPITAL	16-0393490

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		18,009
j	Total Add lines 1c through 1i			18,009
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
PART II-A LINES 1a, b & h		LOCAL MEETINGS WITH VARIOUS LEGISLATORS
PART II-B LINE 1i		American Hospital Association, Hospital Association of New York State, and Rochester Regional Healthcare Associates memberships

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CORNING HOSPITAL

Employer identification number
16-0393490

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	1,219,754	1,220,654	1,100,445	1,511,610	1,632,599
b	Contributions	1,912,666	476,603	205,846	405,722	497,193
c	Net investment earnings, gains, and losses	18,673	6,849	47,423	100,939	-114,295
d	Grants or scholarships					
e	Other expenditures for facilities and programs	163,175	484,352	133,060	917,826	503,887
f	Administrative expenses					
g	End of year balance	2,987,918	1,219,754	1,220,654	1,100,445	1,511,610

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

- a Board designated or quasi-endowment ▶ 20 000 %
- b Permanent endowment ▶ 67 000 %
- c Temporarily restricted endowment ▶ 13 000 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,951,666		4,951,666
b Buildings		23,476,040	20,393,576	3,082,464
c Leasehold improvements		1,967,180	940,544	1,026,636
d Equipment		27,520,164	19,939,433	7,580,731
e Other		17,833,995		17,833,995
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				34,475,492

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) must 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) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
DUE TO THIRD PARTY PAYORS	9,169,269
ACCRUED PENSION COST	7,975,257
WORKERS COMP AND LIABILITY	15,273,358
ASSET RETIREMENT OBLIGATION	7,583,975
DUE TO RELATED PARTIES	268,235
DEFERRED INCOME	12,733
LOAN PAY GH - TAX EXEMPT BONDS	7,196,801
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	47,479,628

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CORNING HOSPITAL

Employer identification number
16-0393490

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			584,079		584,079	0 840 %
b Medicaid (from Worksheet 3, column a)			5,930,640	5,443,690	486,950	0 700 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			6,514,719	5,443,690	1,071,029	1 540 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			60,921		60,921	0 090 %
f Health professions education (from Worksheet 5)						
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			60,921		60,921	0 090 %
k **Total.** Add lines 7d and 7j			6,575,640	5,443,690	1,131,950	1 630 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
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 Explain in Part VI the methodology used by the organization to estimate this amount 2 2,004,387			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) 5 26,058,111			
6	Enter Medicare allowable costs of care relating to payments on line 5 6 33,108,321			
7	Subtract line 6 from line 5 This is the surplus (or shortfall) 7 -7,050,210			
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	CORNING HOSPITAL 176 DENISON PARKWAY E CORNING, NY 14830 www.corninghospital.com	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group CORNING HOSPITAL

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	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			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
1

	Name and address	Type of Facility (describe)
1	Healthworks 9768 Liberty Drive Painted Post, NY 14870	Wellness and Fitness Center, a portion is dedicated to not for profit fitness center
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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
PART I, LINE 6A		CORNING HOSPITAL FILES A COMMUNITY SERVICE PLAN IN RESPONSE TO NEW YORK STATE DEPARTMENT OF HEALTH REQUIREMENTS PART I, LINE 7 - Information reported on Schedule H Part I, Line 7 was derived utilizing the ratio of cost to charges calculated using Worksheet 2 except Line 7b which was based upon an internal cost accounting system that addresses all patient segments
PART III, LINE 4		FOOTNOTE FROM AUDITED FINANCIALS Charity Care and Community Service The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue The direct and indirect costs associated with these services for charity care provided by the Hospital approximate $294,000 and $213,000 in 2012 and 2011, respectively The Hospital estimated these costs by application of the standard cost-to-charge ratio As part of its charitable mission, the Hospital provides care through its emergency department It ensures that an emergency admission or treatment is not delayed or denied pending determination of coverage or a requirement for prepayment or deposit As a result of this policy, the Hospital had approximately $1,365,000 and $1,214,000 in bad debts in 2012 and 2011, respectively Revenues generated from patients who participate in the Medicaid program are subject to substantial discounts that result in reimbursement for services rendered below the cost of providing such services In order for patients to meet the guidelines for the Medicaid program, various income-based criteria must be met that validate the patient's inability to pay for services and ineligibility under other programs The estimated loss incurred from providing services to Medicaid patients amounted to approximately $1,164,000 and $2,022,000 in 2012 and 2011, respectively The provision for bad debts is net of pool receipts of approximately $1,196,300 and $1,651,500 in 2012 and 2011, respectively PART III, LINE 8 Internal cost accounting system utilized to identify Medicare revenue and Medicare cost PART III, LINE 9B The current collection policy does not specifically address and segregate collection efforts during the charity care application process PART V, LINE 20D All Patients are billed based on the charges established in the Hospital's chargemaster Discounts are given in accordance with the financial assistance policy for those who are uninsured A prompt pay discount is given to those who do not qualify for financial assistance Additional discounts are considered on a case by case basis depending on the patient's situation and the total amount due to the hospital
PART VI, LINE 2		Needs Assessment Description of Service Area The Hospital's primary service area encompasses all of Steuben County, NY, with a number of patients coming from Chemung and Schuyler counties, NY as well as Tioga County, Pa In addition to Corning and Painted Post, NY, patients utilizing the Hospital also come from the surrounding communities of Addison, Bath, Big Flats, Beaver Dams, Campbell, and Savona, NY Corning Hospital and Steuben County Public Health embarked on an 18 month long process to collect data, solicit opinions, facilitate a process and guide a discussion to determine not only what the most pressing problems facing our residents are, but also what we can effectively and efficiently address The MAPP (Mobilizing for Action through Planning and Partnership) process was used to accomplish this Corning Hospital and Steuben County Public Health Dept were charged with working with other key local partners to select two key health priorities and one disparity to address in the community In the end, Corning Hospital, Steuben County Public Health and the partner agencies decided to tackle two tough areas under the New York State Dept of Health priority of the prevention of chronic disease 1 Reduce obesity in children and adults 2 Reduce heart disease and hypertension The disparity the partners chose to address was to Promote tobacco cessation, especially among low SES populations and those with mental health illness Status of Priorities The Hospital's Fit and Strong Together (FAST) committee, formed to address prevention priorities, has been successful at initiating and/or implementing a number of programs relating to chronic disease that are aimed at impacting the resulting health-related issues documented as arising from childhood obesity and poor nutrition and fitness They have made numerous presentations to insurers, providers, corporations, civic groups and others to raise awareness of their efforts and to engage the entire community FAST has also successfully obtained funding for training, supplies, equipment and materials related to the programs being implemented The goal of this more focused approach is to have a definitive impact on access to care for obese children (and their families) in need of lifestyle management that will improve their health Aligning this priority with the Hospital's work to address childhood obesity utilizes the expertise and synergy of FAST to address an unmet community health need Plan of Action Update PE4Life program PE4Life is geared at reducing childhood obesity in school age children Corning Hospital and the Fit and Strong Together Community Coalition have worked with the Corning-Painted Post School District (C-PP) to successfully implement the PE4Life (fitness for life) program in the second grades for three of its six elementary schools during the last school year Additionally, students in the PE4Life program last year stayed with the program during the next school year as third graders One of the goals of implementing PE4Life was to provide PE (Physical Education) five days/week This was quite challenging for the C-PP District due to lack of appropriate space and curriculum mandates in the elementary schools This goal was met through the commitment and collaboration of District PE educators, administrators, and classroom teachers Funding acquired through FAST paid for PE4Life training for PE teachers and other C-PP staff as well as pull-up bars, age-appropriate heart-rate monitors and other equipment for the children in the program More funding is being secured to train additional C-PP personnel and purchase more equipment to allow for further expansion of the program PE4Life is using BMI as the metric - and any change in BMI - as the performance measure for this program BMI data was obtained for students participating in the program in the Fall of 2012 showing little progress, therefore the data is going to be measured in a different way in the future since an accurate result could not be obtained from the BMI data Cool 2B Fit This program is funded by Excellus Blue Cross/Blue Shield and was introduced in C-PP elementary schools two years ago The program includes second, third and fourth grade students and provides them with tools (correct portion-sized plate, wrist-watch heart rate monitor, backpack, etc) and information to take home and share with their families The program engages students in interactive activities, such as food tastings, making healthy snacks, grocery shopping and reading food labels The goal is to help students, and their families, make healthy food choices at school and at home CPP tracks the numbers of students involved in this program, and uses surveys to assess student reactions and perceptions of the program 5-2-1-0 This program offers children a simple way to remember the healthy choices they should strive to make each day Specifically, the numbers represent the following daily health guidelines 5 servings of fruits/vegetables, no more than 2 hours of screen time, 1 hour of vigorous activity/play, and no sugary drinks Informational posters and flyers about 5-2-1-0 have been distributed throughout the C-PP District, the Corning Community YMCA, Southeast Steuben County Library, Corning City Parks and Recreation program and other organizations throughout the region May 5-12, 2012, a 5-2-1-0 Week was declared in Corning, NY Over 20,000 informational flyers were distributed at Wegman's grocery store A declaration was read in the town square in conjunction with Corning Clean Up day and an hour long Zumba class was held in the square for the community Childhood Obesity Referral Program The Fit and Strong Together community coalition is attempting to acquire funding to establish a program to which pediatricians and other providers can refer obese children for guidance with lifestyle issues In terms of program design, a number of avenues are being evaluated, including duplication of a similar program (Fit Families in The Southern Tier, serving Chemung Co, NY) Healthy Kids Day Healthy Kids Day for the greater Corning area, held May 12, 2012 This event was well attended with hundreds of children and their families availing themselves of information on a host of health topics as well as watching demonstrations and engaging in activities This event was held again in April 2013 at the Corning Community YMCA Non-Prevention Priorities Considered in the Assessment Process The Hospital is actively engaged with the community on many levels and hosts or participates in a variety of activities related to community health and well-being, including health education and health screenings
PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	Patients are aware of charity care assistance through signage and handout materials samples of the content is as follows Signage content Patient Notice of Financial Assistance for the Uninsured and/or Underinsured Guthrie Health is proud of its mission to provide quality care to all who need it If you do not have health insurance or worry that you may not be able to pay for part or all of your care, we may be able to help Guthrie Health provides financial aid to patients based on their income, assets, and financial needs In addition, we may be able to help you get free or low-cost health insurance or work with you to arrange a manageable payment plan Federal and state laws require all hospitals / clinics to seek payment for care provided This means we could ultimately turn unpaid bills over to a collections agency, which could affect your credit status Therefore, it is important that you let us know if there may be a problem paying your bill For more information, please contact our patient financial services office at 570-887-2051 We will treat your questions and any information you provide us with confidentiality and courtesy Guthrie Health Financial Assistance Summary Guthrie Health recognizes that there are times when patients in need of care will have difficulty paying for the services provided Guthrie Health Charity Care Program provides discounts to qualifying individuals based on your income In addition, we can help you apply for free or low-cost insurance if you qualify Just visit or contact our Corning Hospital Financial Counselor at (607) 937-7518 for free, confidential assistance You may also visit our website at www guthrie org to download the Guthrie Health financial assistance application and instructions Who qualifies for a discount? Financial Assistance is available for those patients with limited incomes, and who do not have health insurance and are worried about paying for part or all of their care Everyone in New York State who needs emergency services can receive care and get a discount if they meet the income limits Everyone who lives in Bradford, Sullivan, and Tioga counties in Pennsylvania, and Allegany, Chemung, Livingston, Ontario, Schuyler, Steuben, Tioga, Tompkins, and Yates counties in New York may receive a discount, by completing an application for medically necessary services at Corning Hospital if they meet the income limits You cannot be denied medically necessary care because you need financial assistance What are the income limits? The amount of the discount varies based on your income and the size of your family If you have no health insurance, these are the income limits Fam size Ann Fam Income* Mthly Fam Income Wkly Fam Income 1 Up to $22,980 Up to $1,915 Up to $442 2 Up to $31,020 Up to $2,585 Up to $597 3 Up to $39,060 Up to $3,255 Up to $751 4 Up to $47,100 Up to $3,925 Up to $906 5 Up to $55,140 Up to $4,595 Up to $1,060 6 Up to $61,940 Up to $5,162 Up to $1,191 *Based on 2013 Federal Poverty Guidelines Can someone explain the discount? Can someone help me apply? Yes, free, confidential help is available Our Corning Hospital Financial Counselor is available at (607) 937-7518 or our Patient Financial Services office at (570) 887-2051 to assist you and/or answer any questions you may have The Financial Counselor can tell you if you qualify for free or low-cost insurance, such as Medicaid, Child Health Plus and Family Health Plus If the Financial Counselor finds that you don't qualify for low-cost insurance, they will help you apply for a discount The Counselor will help you fill out all the forms and tell you what documents you need to bring What do I need to apply for a discount? The following documents should be attached to the application -Bank & Investment Account Statements -Pay Stubs -Receipts as referenced in the Financial Assistance application -Latest Federal Income Tax Return -Medicaid Denial Letter (if applicable) -Health Savings Account (HSS) Statement showing current balance, if Applicable What services are covered? All medically necessary services provided by Corning Hospital are covered by the discount This includes outpatient services, emergency care, and inpatient admissions Services provided by non-Guthrie providers are not covered You should talk to your non-Guthrie providers to see if they offer a discount or payment plan How much do I have to pay? Our Patient Financial Services Department will give you the details about your specific discount(s) once your application is processed How do I get the discount? You have to fill out the application form As soon as we have proof of your income, we can process your application for a discount according to your income level You can apply for a discount before you have an appointment, when you come to the hospital to get care, or when the bill comes in the mail Send the completed form to Guthrie Clinic Patient Financial Service Department One Guthrie Square Sayre, PA 18840 Attn Patient Representative-Charity Care Office or deliver to the Corning Hospital Financial Counselor's office located on the 1st Level of Corning Hospital You have up to 180 days after receiving services to submit the application How will I know if I was approved for the discount? The Patient Financial Services Department will send you a letter generally within 30 days after completion and submission of documentation, telling you if you have been approved and the level of discount received What if I receive a bill while I'm waiting to hear if I can get a discount? You cannot be required to pay a hospital bill while your application for a discount is being considered If your application is turned down, the hospital must tell you why in writing and must provide you with a way to appeal this decision to a higher level within the hospital What if I have a problem I cannot resolve with the hospital? You may call the New York State Department of Health complaint hotline at 1-800-804-5447
PART VI, LINE 4	Community Information	A Hospital Service Area The Hospital's service area remains unchanged It considers its service area to encompass communities within several counties, based on the utilization of its three facilities, as described below Its primary facility is a 99-bed acute care hospital that provides 24-hour emergency services and a complement of inpatient and outpatient services, located at 176 Denison Parkway East, Corning, N Y The Hospital also provides a range of treatment, diagnostic and preventive health services and programs The Guthrie Cancer Center at Corning Hospital, a separate facility located at 114 Columbia Street, Corning, N Y , provides therapeutic radiology, medical oncology and cancer support services, including access to clinical trials The Hospital also operates HealthWorks, a 43,000-square-foot wellness and fitness center located at 9768 Liberty Drive, Painted Post, N Y HealthWorks' services are based on a medical model In addition to traditional fitness center services, it also offers a range of physical rehabilitation services The Hospital employs 695 individuals and has a medical staff of 196 physicians The Hospital also uses physicians and mid-level providers as hospitalists, who provide continuity of care for inpatient services B Description of Service Area The Hospital's primary service area encompasses all of Steuben County, NY, with a number of patients coming from Chemung and Schuyler counties, NY as well as Tioga County, Pa In addition to Corning and Painted Post, NY, patients utilizing the Hospital also come from the surrounding communities of Addison, Bath, Big Flats, Beaver Dams, Campbell, and Savona, NY
PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	The following overview provides examples of the Hospital's successes in providing access to high quality health care as well as other service and activity beyond the provision of direct care Access to High Quality Care Corning Hospital was ranked as the tenth best in New York State for overall hospital care by the Delta Group as part of its 2013 Quality Awards from Care Chex, a division of the Delta Group, Inc The rankings below include types of care/specialties for which Corning Hospital ranked in the top 10 percent in the state, and in the country Medical Excellence Awards - Top 10 percent in New York Cancer Care and Gall Bladder Removal Top 10 percent in Nation Gall Bladder Removal The Hospital has received Gold Plus and Target Stroke designations by the American Heart Association for stroke care The Hospital continues to use the electronic health record (Epic) Epic allows the hospital to provide safe and effective patient care and improve communication among providers, using a secure system to put important health information about patients at providers' fingertips The Hospital continues to offer cancer screenings in collaboration with the Cancer Service Partnership of Steuben County, providing low-cost mammograms to women who meet the program's criteria Community Outreach Hospital Board members and members of the Administrative team have held a number of community and neighborhood-based informational sessions to provide more in-depth information about the new Corning Hospital and to answer questions and address concerns The response to these open meetings has been very positive The Hospital received the Bronze Award in recognition of its participation in the local United Way fund drive The Hospital is a partner in the Red Cross program Unite for Life Plus At the time of this report, the Hospital and Centerway held 7 blood drives in 2012 and a total of 187 units were collected, with 16 new donors identified The Hospital participated as the primary sponsor in the local American Cancer Society's Relay for Life event It raised money, formed teams and hosted the pre-event survivor dinner The Hospital participated in an awareness and fund raising activity for Catholic Charities of Steuben County The "Walk a Mile in Their Shoes" event, held in three Steuben County communities, raised awareness about poverty in Steuben County The Hospital's Auxiliary holds a number of fund raising events in the community throughout the year to support the Hospital's need for new equipment Proceeds from the Auxiliary's primary event have amounted to more than $1 million since its inception in 1997 Fitness and Nutrition The Hospital sponsored the annual Pop Can Fun run, held for youth ages 2 to 10, with approximately 300 children participating in age-appropriate races HealthWorks participated in Healthy Kids Day, a program developed by the Corning Community YMCA, which attracted hundreds of children and their families HealthWorks staff developed a number of interactive activities for children to help them be better informed about the health benefits of exercise Wellness and Prevention Education HealthWorks hosted several Community Wellness Days, open to the public, offering free blood pressure screenings, body fat analysis, and informational materials regarding disease prevention The Hospital provided 1,686 seasonal flu shots to staff, volunteers and community members HealthWorks continues to provide a monthly Diabetes Support Group open to the public in which guest speakers are available each month to discuss topics of interest for individuals with diabetes to help them better understand and manage their health needs The Hospital now has two RNs trained as certified car seat safety instructors, which enables the Hospital to participate in health fairs/community education days that demonstrate the correct age/weight appropriate for children using car seats These staff members will be assisting the Steuben County Public Health educators in bringing this important information to parents throughout Steuben County PART VI, LINE 6 See Schedule O Form 990 Part III, Line 1 Statement of Program Service Accomplishments PART VI, LINE 7 The 2013-2015 Community Service Plan will be made available to the public through a downloadable pdf file on the Hospital's website www corninghospital org When completed and issued to the NYS DOH, a news release was issued advising the public that the report has been submitted

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CORNING HOSPITAL

Employer identification number
16-0393490

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
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**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☑ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
PART I LINE 1A		HOUSING ALLOWANCES AND GROSS-UP PAYMENTS ARE PERIODICALLY PROVIDED TO EMPLOYEES ALL PAYMENTS ARE MADE PURSUANT TO WRITTEN ORGANIZATIONAL POLICIES
PART I LINE 3		EXECUTIVE COMPENSATION IS ESTABLISHED WITHIN A WRITTEN EMPLOYMENT AGREEMENT COMPENSATION IS DETERMINED BASED ON MARKET STUDIES PRESENTED TO THE GUTHRIE HEALTH COMPENSATION COMMITTEE AND SUBSEQUENTLY APPROVED BY THE GUTHRIE HEALTH BOARD OF DIRECTORS
PART I LINE 4A		THE FOLLOWING INDIVIDUAL RECEIVED A SEVERANCE PAYMENT FOR THE PERIOD JULY 22, 2012 - DECEMBER 31, 2012 MARK STENSAGER - $213,109 60

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 16-0393490
Name: CORNING HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
FRANCIS M MACAFEE	(I) (II)	154,400	32,055	0	400	13,551	200,406	0
DAVID AUSTIN MD	(I) (II)	345,520	0	0	32,750	12,520	390,790	0
LOUIS R DUBOIS MD	(I) (II)	381,058	0	0	32,750	12,520	426,328	0
MARIE DROEGE	(I) (II)	353,632	60,330	0	11,299	4,090	429,351	0
J MICHAEL SCALZONE MD	(I) (II)	305,535	25,000	685	32,750	12,520	376,490	0
MARK STENSAGER	(I) (II)	290,464	151,463	219,267	7,067	9,307	677,568	0
RUSSELL C WOGLOM MD	(I) (II)	325,385	13,454	0	32,750	12,520	384,109	0
David McCorvey MD	(I) (II)	164,077	0	0	25,516	10,863	200,456	0
SHIRLEY MAGANA	(I) (II)	226,613	39,903	0	11,477	4,090	282,083	0
COLIN BAILEY	(I) (II)	174,762	0	0	2,060	4,090	180,912	0

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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

2012

Open to Public Inspection

Name of the organization	Employer identification number
CORNING HOSPITAL	16-0393490

Identifier	Return Reference	Explanation
FORM 990, Part III, Line 1		Statement of Program Service Accomplishments Guthrie Health is a nonprofit health care organization that serves to coordinate the activity of Guthrie Clinic (Clinic) and the affiliates within Guthrie Healthcare System (GHS, see Form 990, Schedule R, for a listing of affiliates of GHS, including Robert Packer Hospital (RPH)) Through the activities of the Clinic, GHS, RPH, and its other affiliates (collectively referred to as "Guthrie"), Guthrie Health provides charitable community-based health care services and programs to improve the health and well-being of the people and communities served by its facilities and providers These charitable activities include providing primary care and specialty physician services, as well as operating a tertiary care teaching hospital, community hospitals, a research institute, home care, hospice care, and a long-term care facility The Guthrie Research Institute and Guthrie Clinical Research functions of the Guthrie Foundation for Medical Education and Research (Research Institute), a subsidiary of GHS, furthers these charitable activities through providing patient access to the region's largest panel of clinical trials The facilities and provider offices of Guthrie are located in 23 communities throughout the northern tier of Pennsylvania and southern tier of New York, with the greatest concentration of services provided principally in Bradford County, Pennsylvania and Chemung and Steuben Counties, New York The vision of Guthrie is to help shape the delivery of health care in the region through working collaboratively with physicians and other providers, and by distributing its services throughout the region based on community needs Guthrie seeks to be the provider of choice for patients in the Twin Tier region, and to be recognized for its superior quality and service It also strives to advance the practice of medicine through its commitment to teaching and research In keeping with this vision, the core values of Guthrie Health are as follows patient-centeredness, excellence, and teamwork Guthrie providers and facilities provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because it does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue on the financial statements of Guthrie entities Costs for services and supplies furnished under Guthrie's charity care policy amounted to approximately $3 2 million in 2013 and $2 46 million in 2012 when measured at the appropriate entity's established rates As part of its charitable mission, Guthrie provides care through its hospital emergency departments It ensures that an emergency-based treatment or hospital admission is not delayed or denied pending determination of coverage or a requirement for pre payment or deposit As a result of this policy, Guthrie experienced approximately $3 71 million and $3 16 million in bad debts for 2013 and 2012, respectively In addition to the charity care program and the emergency department bad debts discussed above, Guthrie supports numerous other charitable community activities Examples of these activities include medical education for physicians and nurses, the trauma program, and medical research The estimated cost, net of reimbursement, for these programs was $16 4 million and $13 2 million in 2013 and 2012, respectively Guthrie also provides services to patients who participate in the Medicaid programs Revenues generated from patients who participate in the Medicaid programs are subject to substantial discounts that result in reimbursement for services rendered below the cost of providing such services In order for patients to meet the guidelines for the Medicaid program, various income-based criteria must be met that validate patients' inability to pay for services and ineligibility under other programs The estimated loss incurred by Guthrie from providing services to Medicaid patients amounted to $19 9 million and $18 8 million in 2013 and 2012, respectively The total cost to Guthrie in supporting these charitable mission programs was approximately $42 9 million and $37 3 million in 2013 and 2012, respectively As discussed, RPH and the Clinic work closely together in fulfilling Guthrie's charitable mission A regional Level II trauma center, RPH is a tertiary care teaching hospital, located in Sayre, Pennsylvania, serving the southern tier of New York and the northern tier of Pennsylvania It also provides residency programs in family practice, internal medicine, and general surgery as well as a fellowship program in vascular surgery and cardiovascular disease Medical student training is provided for students from affiliated medical schools Allied health education is also provided for respiratory therapy, nursing, laboratory science, and radiologic technology for students from Pennsylvania and New York colleges and universities

Identifier	Return Reference	Explanation
FORM 990, Part III, Line 1		Centers of Excellence within RPH include the following Advanced & Minimally Invasive Surgery, Behavioral Health Services, Breast and Imaging Center, Comprehensive Cancer Center, Cardiovascular Care Center, the Center for Wound Care and Hyperbaric Medicine, Dialysis Centers, Joint Camp Program for Orthopedic Surgery, Sports Medicine, Kidney Stone Treatment Center, First Impressions Birthing Center, Sleep Disorders Testing, and Specialty Eye Care

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 1 (CONT'D)		RPH strives to enhance the quality of life in the communities it serves by providing superior health care services and by leading continuous improvement of community health It achieves this mission by organizing services and directing resources toward meeting community health needs through collaboration with community agencies and by compassionate, effective, and affordable means RPH works closely with the Clinic to ensure that the skills and knowledge of the medical staff produce the maximum community health benefit As a member of the Guthrie Healthcare System, RPH integrates its programs and activities with those of the long-term care and education and research divisions, so that continuity and synergy result As part of GHS, the vision of RPH is to play a leadership role in the development and provision of tertiary-level acute care services Evidence that RPH is successfully fulfilling this role can be seen in its accomplishments this past year Highlights of those achievements include accreditation by the Pennsylvania Trauma Systems Foundation Board as a Level II Trauma Center, recipient of Thomson Reuters Everest Award (one of only 23 hospitals in the country) for two consecutive years, as well as receiving the Thomson Reuters 100 Top Hospital National Benchmarks award for the fourth consecutive year RPH, a magnet designated hospital, has also been named a Thomson Reuters 100 Top Hospital Cardiovascular six times GHS has been named one of the top 50 healthcare systems in the country by Thomson Reuters As part of a fully-integrated health delivery system that organizes its services on a regional basis and is accountable for improving the health of the population it serves, RPH accepts responsibility for meeting the health care needs of the community and is able to document the cost effectiveness and quality of services provided The Clinic is a multi-specialty physician group practice that includes nearly 350 specialist and primary care physicians and mid-level providers, headquartered in a facility adjacent to RPH Physicians within the Clinic provide comprehensive medical care using advanced technologies and methodologies for both diagnosis and treatment Further, the Clinic provides a broad range of educational opportunities for physicians and other health care providers It also works closely with the Research Institute, where research contributes to recruiting and retaining physician specialists to serve the region and sustaining proficient medical practices The Clinic is committed to the advancement of medical knowledge and skills, and every effort is made to provide personal, compassionate medical care The Clinic operates a regional office network in 23 communities in Pennsylvania and New York, encompassing all of the major population centers in the Twin Tiers area The Clinic and GHS have developed certain guiding principles for the provision of patient care, which include a commitment to the following Practice of clinical excellence, Utilization of the synergy of a multi-specialty medical group practice, Development of an integrated system that provides a continuum of care, Provision of local access to care through support of a regional medical office network, Provision of services to a distinct geographic region, and Proactive operations The Clinic, through the provision of primary care services with ease of access to specialty and sub-specialty care, focuses on making an integrated system of health care easily accessible to patients With its primary concern the diagnosis and treatment of disease and illness, it also seeks to actively improve the health of the community it serves through prevention, health screenings, and education The Clinic welcomes any patient seeking care

Identifier	Return Reference	Explanation
FORM 990, PART IV, LINE 12		The organization's financial statements were audited on a consolidated basis with Guthrie Health and Affiliates FORM 990, PART VI, LINE 6 Guthrie Healthcare System is the sole member of Corning Hospital

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7A		As the sole member of Corning Hospital, Guthrie Healthcare System appoints the organization's Board of Directors

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7B		As the sole member of Corning Hospital, Guthrie Healthcare System has approval rights of certain board decisions

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 11A & 11B		The Form 990 of the organization is presented to the Board of Directors for review and is also reviewed by the organization's finance personnel and an independent accounting firm prior to filing with the IRS

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 12C		The Conflict of Interest Disclosure Policy sets forth that all persons, including employees, agents and Board/Committee members, particularly those involved in decision-making for Guthrie Health (GH) act in an appropriate manner and will not participate in any actions that might create a personal or professional conflict of interest and/or not be in the best interest of GH All members of any GH Board/Committee and GH senior management must make full disclosure of any possible conflict of interest through the use of the Conflict of Interest Disclosure Form and refrain from voting or participating in decision-making involving any possible conflict of interest The form is distributed to all Board/Committee members, and employees (when applicable) annually by the GH Administration office GH Board/Committee members or employees must complete the Conflict of Interest Disclosure Form This form should be completed when there is any situation where a possible conflict of interest exists, and/or on an annual basis and/or at the time of appointment or election of new Board/Committee members If the form is not completed within 13 months of the last signing, the GH Board Chairman will be advised Any individual having a conflict of interest or possible conflict of interest on any matter should excuse themselves from the portion of the meeting or meetings where the matter is discussed and not vote or use his or her personal influence on the matter The minutes of the meeting or meetings should reflect the disclosure, the abstention from voting, and any action taken to determine whether a conflict of interest existed

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 15A		Executive compensation is generally established within a written employment agreement Compensation is determined based on market studies, presented to the Executive Compensation Committee, and subsequently approved by the Board of Directors

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 15B		Executive compensation is generally established within a written employment agreement Compensation is determined based on market studies, presented to the independent Executive Compensation Committee and subsequently approved by the Board of Directors

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 18		The organization's Form 1023, 990 and 990-T are available for public inspection upon request

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 19		The organization does not make its governing documents, conflict of interest policy or financial statements available to the public

Identifier	Return Reference	Explanation
FORM 990, PART XII, LINE 2B		The organization's financial statements were audited on a consolidated basis with Guthrie Health and Affiliates

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 9		The Change in Net Assets is related to a change in Pension Obligation of $77,224

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 8		THE CHANGE IN NET ASSETS IN RELATED TO A PRIOR PERIOD ADJUSTMENT FOR INVESTMENT LOSSES $(72,774)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CORNING HOSPITAL

Employer identification number
16-0393490

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TWIN TIER MANAGEMENT CORP INC p o bOX 310 SAYRE, PA 18840 23-2209439	mANAGEMENT CO	PA	NA	C CORP				Yes	

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

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

		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 or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		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-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data Return to Form

Software ID:
Software Version:
EIN: 16-0393490
Name: CORNING HOSPITAL

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
Guthrie Healthcare System One Guthrie Square Sayre, PA 18840 23-2200910	SUPPORT	PA	501 (C)(3)	11C TypeIII	GH		No
Guthrie Health One Guthrie Square Sayre, PA 18840 23-3055017	Support	PA	501 (C)(3)	11B Type II	NA		No
Sayre House of Hope One Guthrie Square Sayre, PA 18840 20-3979472	Enhance acces	PA	501 (C)(3)	7	GHS	Yes	
Robert Packer Hospital One Guthrie Square Sayre, PA 18840 24-0795463	Health Care	PA	501 (C)(3)	3	GHS	Yes	
Donald Guthrie Foundation for Education 200 south wilbur ave sayre, PA 18840 24-6022957	Research	PA	501 (C)(3)	4	GHS	Yes	
Robert Packer Hospital School of Nursing 200 South Wilbur Ave Sayre, PA 18840 23-6408773	Education	PA	501 (C)(3)	2	GHS	Yes	
Troy Community Hospital Inc 100 John Street Troy, PA 16947 24-0800337	Healthcare	PA	501 (C)(3)	3	GHS	Yes	
TIOGA HEALTHCARE FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 15-0532257	HOUSING	PA	501 (C)(3)	3	GHS	Yes	
SAYRE HOUSE INC 1001 NORTH ELMER AVE SAYRE, PA 18840 23-1643404	NURSING	PA	501 (C)(3)	9	GHS	Yes	
GUTHRIE HOME CARE R R 1 bOX 154 SAYRE, PA 18840 23-2394345	HOME HEALTH	PA	501 (C)(3)	9	GHS	Yes	
GUTHRIE CORNING DEVELOPMENT COMPANY 176 DENISON pKWY E CORNING, NY 14830 16-1594628	SUPPORT	NY	501 (C)(3)	11B TYPE II	GHS	Yes	
GUTHRIE SAME DAY SURGERY CENTER INC ONE GUTHRIE SQUARE SAYRE, PA 18840 02-0551081	AMBULATORY	NY	501 (C)(3)	9	GHS	Yes	
GUTHRIE RISK RETENTION GROUP 151 MEETING STREET CHARLESTON, SC 29401 20-1090801	SUPPORT	SC	501 (C)(3)	11A TYPE I	GH	Yes	
TIOGA NURSING FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 15-0532257	NURSING	PA	501 (C)(3)	3	GHS	Yes	
GUTHRIE CLINIC LTD ONE GUTHRIE SQUARE SAYRE, PA 18840 25-0815795	HEALTHCARE	PA	501 (C)(3)	3	GH	Yes	
DARWAY NURSING HOME INC ONE GUTHRIE SQUARE SAYRE, PA 18840 23-1733967	NURSING	PA	501 (C)(3)	9	GHS	Yes	

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
GUTHRIE CORNING DEVELOPMENT COMPANY	A	168,463	FMV
GUTHRIE CORNING DEVELOPMENT COMPANY	K	522,308	FMV
GUTHRIE CLINIC	J	255,638	FMV
GUTHRIE CLINIC	M	2,515,983	FMV
GUTHRIE CLINIC	L	233,430	FMV
GUTHRIE HEALTHCARE SYSTEM	M	4,857,031	FMV
ROBERT PACKER HOSPITAL	M	1,101,065	FMV
ROBERT PACKER HOSPITAL	O	69,483	FMV
GUTHRIE SAME DAY SURGERY CENTER	O	68,908	FMV

Corning Hospital and Affiliate

Consolidated Financial Statements and Financial Information

December 31, 2012 and 2011

Corning Hospital and Affiliate
Index
December 31, 2012 and 2011

pwc

Independent Auditor's Report

To the Board of Directors of
Corning Hospital and Affiliate

We have audited the accompanying consolidated financial statements of Corning Hospital and Affiliate (the "Hospital"), which comprise the consolidated balance sheets as of December 31, 2012 and December 31, 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corning Hospital and Affiliate at December 31, 2012 and December 31, 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

PricewaterhouseCoopers LLP

May 24, 2013

Corning Hospital and Affiliate
Consolidated Balance Sheets
December 31, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 2,371,123	$ 4,363,903
Patient accounts receivable, net of estimated uncollectibles of $7,934,030 and $7,088,704 for 2012 and 2011, respectively	9,485,659	9,201,235
Inventories	1,488,946	1,486,453
Due from related parties	2,746,278	43,472
Prepaid expenses and other assets	4,490,980	1,779,786
Total current assets	20,582,986	16,874,849
Assets limited as to use		
Trustee held funds under indenture agreement	882,483	3,389,637
Board-designated funds, temporarily and permanently restricted and self-insured trust funds	23,963,353	22,014,257
Total assets limited as to use	24,845,836	25,403,894
Investments	73,580,424	69,146,898
Pledge receivable, net of current portion	1,223,499	-
Property and equipment, net	39,758,628	22,572,447
Other assets, net	2,703,880	1,001,785
Total assets	$ 162,695,253	$ 134,999,873
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term obligations	$ 4,488	$ 4,039
Note payable - related party	185,147	182,903
Due to related parties	287,940	177,582
Accounts payable and accrued expenses	8,657,027	5,220,360
Accrued payroll, taxes, and vacation	2,996,987	3,054,914
Estimated third-party payable, net	9,169,269	6,970,828
Total current liabilities	21,300,858	15,610,626
Long-term liabilities		
Long-term obligations, net of current maturities	7,192,313	5,931,565
Note payable - related party, net of current portion	859,205	1,044,351
Accrued pension cost, net	7,975,257	11,825,894
Self-insured liabilities, net of current portion	15,306,080	15,780,926
Asset retirement obligation	7,583,975	9,079,107
Total liabilities	60,217,688	59,272,469
Net assets		
Unrestricted	99,489,648	74,507,649
Temporarily restricted	2,159,492	391,330
Permanently restricted	828,425	828,425
Total net assets	102,477,565	75,727,404
Total liabilities and net assets	$ 162,695,253	$ 134,999,873

The accompanying notes are an integral part of these consolidated financial statements

Corning Hospital and Affiliate
Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2012 and 2011

	2012	2011
Unrestricted revenue		
Net patient service revenue, net of provision for bad debts of $5,587,568 and $3,813,954 for 2012 and 2011, respectively	$ 79,935,297	$ 75,943,355
Other operating revenue	4,317,099	2,371,820
Total revenues	84,252,396	78,315,175
Expenses		
Salaries and wages	25,232,162	23,951,779
Employee benefits	6,729,739	7,491,441
Purchased services	12,423,555	12,902,144
Supplies	14,437,701	13,956,086
Other expenses	4,548,902	6,268,272
Depreciation and amortization	5,297,200	3,702,460
Interest	366,323	169,607
Total expenses	69,035,582	68,441,789
Income from operations	15,216,814	9,873,386
Nonoperating income		
Interest and dividends, net of investment fees	2,473,277	2,318,288
Unrealized and realized gains and losses on investments, net	6,504,569	(2,020,406)
Contributions	674,881	68,874
Other, net	4,546	(219,757)
Nonoperating income, net	9,657,273	146,999
Excess of revenues over expenses	$ 24,874,087	$ 10,020,385

The accompanying notes are an integral part of these consolidated financial statements

Corning Hospital and Affiliate
Consolidated Statements of Operations and Changes in Net Assets, Continued
Years Ended December 31, 2012 and 2011

	2012	2011
Unrestricted net assets		
Excess of revenue over expenses	$ 24,874,087	$ 10,020,385
Change in pension obligation	77,224	(6,627,654)
Net assets released from restrictions used for purchase of property and equipment	30,687	379,041
Increase in unrestricted net assets	24,981,998	3,771,772
Temporarily restricted net assets		
Contributions and grant income	1,912,666	476,604
Net unrealized (losses) gains on investments	3,159	(32,205)
Realized gains on investments	8,716	22,247
Interest and dividends, net of investment fees	6,797	16,807
Net assets released from restrictions	(163,175)	(484,353)
(Decrease) increase in temporarily restricted net assets	1,768,163	(900)
Increase in net assets	26,750,161	3,770,872
Net assets		
Beginning of year	75,727,404	71,956,532
End of year	$ 102,477,565	$ 75,727,404

The accompanying notes are an integral part of these consolidated financial statements

Corning Hospital and Affiliate
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 26,750,161	$ 3,770,872
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	5,297,200	3,702,460
Net realized and unrealized (gains) losses on investments	(6,514,678)	2,030,364
Gain (loss) on sale of fixed assets, net	4,546	(41,630)
Pension obligation adjustment	(77,224)	6,627,654
Restricted contributions and grants received	(523,857)	(476,604)
Provision for bad debts	5,587,568	3,813,954
Loss on extinguishment of debt	-	163,009
Changes in operating assets and liabilities		
Patient accounts receivable	(5,871,992)	(5,429,959)
Inventories	(2,493)	(193,498)
Pledge receivable	(1,223,499)	
Prepaid expenses and other assets	(2,711,196)	(146,882)
Accrued pension cost	(3,773,413)	648,323
Accounts payable and accrued expenses	29,709	992,553
Accrued payroll, taxes, and vacation	(57,927)	521,907
Estimated third-party payables, net	2,198,441	2,424,765
Self-insured liabilities	(1,227,127)	(1,253,426)
Due to related parties, net	(2,592,448)	(53,509)
Asset Retirement Obligation	(1,495,132)	(132,615)
Net cash provided by operating activities	13,796,639	16,967,738
Cash flows from investing activities		
Purchase of property and equipment	(19,393,281)	(3,845,293)
Purchase of assets limited as to use and investments, net	2,639,210	(19,883,045)
Net cash used in investing activities	(16,754,071)	(23,728,338)
Cash flows from financing activities		
Proceeds from long-term obligations	1,268,389	5,936,655
Payments of long-term obligations	(7,192)	(3,770,000)
Payments on note payable - related party	(182,902)	(180,793)
Deferred financing costs	(637,500)	(97,477)
Restricted contributions and grants received	523,857	476,604
Net cash provided by financing activities	964,652	2,364,989
Net decrease in cash and cash equivalents	(1,992,780)	(4,395,611)
Cash and cash equivalents		
Beginning of year	4,363,903	8,759,514
End of year	$ 2,371,123	$ 4,363,903
Supplemental information of non-cash transactions		
Property and equipment purchased in accounts payable	$ 3,406,958	$ 385,564

The accompanying notes are an integral part of these consolidated financial statements

1. Significant Accounting Policies

Organization and Principles of Consolidation

Corning Hospital ("Corning") is a not-for-profit healthcare facility located in Corning, New York whose sole member is Guthrie Healthcare System ("GHS")

Guthrie Corning Development Company ("GCDC") is a not-for-profit membership corporation whose sole members are Corning and GHS GCDC leases space to Corning that houses the HealthWorks Wellness and Fitness Center In January 2011, the Corning Hospital Board of Directors voted to liquidate GCDC and transfer the GCDC assets to Corning Hospital The merger was approved by the State of New York Department of State on January 16, 2013

In 2001, GHS and Guthrie Clinic Ltd ("the Clinic") entered into an alignment agreement and formed a new nonprofit organization called Guthrie Health Guthrie Health has direct oversight of both the Clinic and GHS and is responsible for the overall strategic direction and operational direction of the organization Its responsibilities include strategic planning, service development, operating and capital budget approval and the allocation of financial resources for the entire enterprise

The consolidated financial statements include the accounts of Corning and GCDC, and are collectively referred to as the "Hospital" All significant intercompany transactions within the Hospital have been eliminated

In July 2012, the Hospital submitted a full review certificate of need application seeking approval for the certification of an extension clinic The extension clinic will occupy space that served the site of Guthrie Same Day Surgery Center, Inc ("GSDS"), an existing Article 28 not-for-profit diagnostic and treatment center, whose sole corporate member and active parent is GHS In December 2012, the certificate of need was approved and the operating certificate for the extension clinic was issued effective January 1, 2013 GSDS ceased operations as of January 1, 2013

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates made by the Hospital include, but are not limited to, estimated fair value of investments, allowance for uncollectible accounts and third-party payor contractual adjustments, estimated third-party settlements, insurance reserves for employee health insurance, workers' compensation and professional and general liability and assumptions used in determining pension liabilities, asset retirement obligations, and capital campaign pledges

Cash and Cash Equivalents

The Hospital considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts held as assets limited as to use and investments The Hospital maintains funds on deposit in excess of amounts insured by the Federal Depository Insurance Corporation Limits

Patient Accounts Receivable
The Hospital grants credit without collateral to its patients, health maintenance organizations, commercial payors and governmental programs The mix of receivables, before allowances for doubtful accounts, at December 31 is as follows

	2012	2011
Medicare	30 %	30 %
New York Medicaid/Pennsylvania Medicaid	10	9
Other third-party payors	38	41
Self-pay	22	20
	100 %	100 %

Inventory Valuation
Inventories are stated at the lower of cost (first-in, first-out) or market

Assets Limited as to Use
Assets limited as to use primarily include funds held in trust by others, self insured trust funds for insurance, designated assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes, and temporarily and permanently donor restricted assets

Investments and Investment Income
Investment securities (debt and equity) are recorded at fair value based on quoted market prices If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments The cost of sold investments is based upon the specific identification method Realized and unrealized gains and losses on investments, interest income and dividends from unrestricted investments are recorded as other income in the consolidated statements of operations Unrealized and realized gains and losses on investments from restricted assets are included as additions or deductions to either unrestricted or restricted net assets in accordance with applicable regulations

The Hospital has investments in U S Government and agency obligations, corporate bonds, mutual funds and equity securities Investment securities are exposed to various risks, such as interest rate, market and credit Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least possible that changes in risks in the near term would materially affect the net assets of the Hospital

Property and Equipment
Property and equipment are recorded at cost less the amount for accumulated depreciation Expenditures for maintenance, repairs and renewals of minor items are charged to operations as incurred Major renewals and improvements are capitalized Depreciation is provided on the straight-line method over the estimated useful lives of the related assets, which ranges from three to forty years

Gifts of land, buildings, or equipment are reported as unrestricted net assets, and are excluded from the excess of revenues over expenses Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets

The Hospital assesses its assets for impairment whenever events or changes in circumstances indicate the carrying amount of a respective asset may exceed their fair value There were no impairment losses during the years ended December 31, 2012 and 2011

As discussed in Footnote 5, construction is underway on a replacement facility for Corning Hospital with a projected opening in July 2014 As a result, the Hospital updated the useful lives of all assets that will not be transferred to the new facility and recorded approximately $1,555,000 in accelerated depreciation in 2012

Deferred Financing Costs
Deferred financing costs (included in other assets) relate to costs incurred in connection with obtaining long-term obligations, which are being amortized over the term of the related obligations, using the straight-line method Amortization expense related to deferred financing costs was $7,685 and $2,333 for the years ended December 31, 2012 and 2011, respectively

Self-Insured Liabilities
The Hospital, under certain insurance programs, maintains reserves for expected losses primarily relating to professional and general liability, workers' compensation and employees' medical insurance A provision for claims under self-insured programs is recorded based upon the Hospital's estimate, after consultation with actuaries, of the aggregate liability for claims incurred

Asset Retirement Obligations
The Hospital accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation Over time, the liability is accreted to its settlement value As discussed in Footnote 5, the building of a replacement facility for Corning Hospital is expected to be completed by July 2014 As a result, the Hospital updated the estimate of the asset retirement obligation and the decrease in the liability was recorded as a reduction in other expenses Upon settlement of the liability, the Hospital will recognize a gain or loss for any difference between the settlement amount and liability recorded Accretion expense for the years ended December 31, 2012 and 2011 is $ (1,370,006) and $454,518, respectively

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Hospital have been limited by donors to a specific time period or purpose and are comprised of donor gifts Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity and are comprised primarily of endowment funds

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

Excess of Revenues Over Expenses
The consolidated statements of operations include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, includes adjustments to pension obligations, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Net Patient Service Revenue
Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive and prospective adjustments under reimbursement agreements with third-party payors Third-party payors retain the right to review and propose adjustments to amounts paid to the Hospital Such adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), The Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2012 or 2011

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors The Hospital's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through December 31, 2008

Under the New York Health Care Reform Act (NYHCRA), hospitals are authorized to negotiate reimbursement rates for inpatient acute care services with all other nonMedicare payors except for Medicaid, Workers' Compensation and No-Fault, which are regulated by New York State These negotiated rates may take the form of rates per discharge, reimbursed costs, discounted charges or as per diem payments Reimbursement rates for nonMedicare payors regulated by New York State are determined on a prospective basis These rates also vary according to a patient classification system defined by NYHCRA that is based on clinical, diagnostic, and other factors

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

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates A significant portion of the Hospital's revenues are derived through these agreements, as such, the Hospital is dependent on these payors to carry out its operating activities

There are various proposals at the federal and state level that could, among other things, reduce payment rates The ultimate outcome of these proposals, regulatory changes, and other market conditions cannot presently be determined

The Hospital recognizes changes in estimates for net patient service revenue, and third-party settlements as new events occur, as more experience is acquired or as additional information is obtained For the years ended December 31, 2012 and 2011, adjustments to prior year estimates resulted in increase (decrease) to excess of revenue over expenses of approximately $1,782,000 and ($433,000), respectively

Charity Care and Community Service
The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue The direct and indirect costs associated with these services for charity care provided by the Hospital approximate $294,000 and $213,000 in 2012 and 2011, respectively The Hospital estimated these costs by application of the standard cost-to-charge ratio

As part of its charitable mission, the Hospital provides care through its emergency department It ensures that an emergency admission or treatment is not delayed or denied pending determination of coverage or a requirement for prepayment or deposit As a result of this policy, the Hospital had approximately $1,365,000 and $1,214,000 in bad debts in 2012 and 2011, respectively

Revenues generated from patients who participate in the Medicaid program are subject to substantial discounts that result in reimbursement for services rendered below the cost of providing such services In order for patients to meet the guidelines for the Medicaid program, various income-based criteria must be met that validate the patient's inability to pay for services and ineligibility under other programs The estimated loss incurred from providing services to Medicaid patients amounted to approximately $1,164,000 and $2,022,000 in 2012 and 2011, respectively

The provision for bad debts is net of pool receipts of approximately $1,196,300 and $1,651,500 in 2012 and 2011, respectively

Other Revenue
The Hospital recognized meaningful use revenue of approximately $2,000,000 in 2012 related to the implementation of electronic health records

Income Taxes
The consolidated financial statements do not give consideration to income taxes, as Corning and GCDC are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code The Hospital is subject to taxes on unrelated business income under Section 511 of the Internal Revenue Code

New Accounting Pronouncements
In July 2011, the FASB issued *Healthcare Entities' Presentation and Disclosure of Net Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts* Under the new guidance, bad debts relating to patient service revenue will be separately disclosed in the statement of operations and reported as a component of net patient service revenue Bad debts associated with activities

other than patient service revenue will continue to be reported as an operating expense For the Hospital, ASU 2011-7 was effective for fiscal years after December 15, 2011 and thus is applicable to the Hospital's 2012 financial statements Accordingly, the 2011 provision for bad debts of $3,813,954 has been reclassified from operating expenses to a reduction from net patient service revenue

Reclassifications
Certain prior year amounts were reclassified to conform to the 2012 consolidated financial statement presentation

Subsequent Events
The Hospital evaluated subsequent events through May 24, 2013 which was the date the consolidated financial statements were issued

2. Assets Limited as to Use and Investments

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

	2012	2011
Held by trustee under indenture agreement		
Cash and cash equivalents	$ 882,483	$ 3,389,637
	882,483	3,389,637
Board-designated, temporarily and permanently restricted and self-insured trust funds		
Cash and cash equivalents	1,208,969	1,148,839
Fixed income securities	4,682,075	5,328,542
Bond Mutual Funds	2,910,629	2,661,839
Government securities	6,342,227	5,498,752
Real Assets	1,220,467	-
Equity Mutual Funds	4,070,834	1,340,064
Equities	3,528,153	6,036,226
	23,963,354	22,014,262
Total assets limited as to use	24,845,837	25,403,899
Investments		
Cash and cash equivalents	2,056,083	2,376,188
Fixed income securities	13,081,788	15,106,679
Bond Mutual Funds	10,177,854	9,565,244
Government securities	19,427,415	17,221,974
Real Assets	4,267,713	-
Equity Mutual Funds	12,232,370	3,185,796
Equities	12,337,200	21,691,012
Total investments	73,580,423	69,146,893
Total assets limited as to use and investments	$ 98,426,260	$ 94,550,792

The Hospital's investment return for the years ended December 31 is as follows

	2012	2011
Interest and dividends, net of investment fees	$ 2,480,074	$ 2,335,095
Realized gains on investments, net	3,474,646	3,239,482
Change in net unrealized gains (losses) on investments, net	3,041,798	(5,269,845)
	$ 8,996,518	$ 304,732

The Hospital's investments are managed by investment managers through GHS The distribution of the investment income is allocated to the Hospital based on a unit fair value Because the Hospital's investments include a variety of financial instruments, the related values as presented in the consolidated financial statements are subject to various market fluctuations which include changes in the equity markets, interest rate environment and general economic conditions

3. Fair Value Measurements

The Hospital is subject to certain accounting guidance for fair value measurements Fair value is defined under the guidance as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date

Assets and liabilities recorded at fair value in the consolidated balance sheet are categorized based upon the level of judgment associated with the inputs used to measure their fair value An asset or a liability's categorization within the fair value hierarchy is based on the lowest level of judgment input to its valuation Hierarchal levels, as defined by accounting guidance, are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities as follows

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

Level II Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly

Level III Valuations based on inputs that are unobservable and significant to the overall fair valued measurement These are generally company generated inputs and are not market based inputs

Financial instruments measured at fair value are based on one or more of the three valuation techniques noted in fair value guidance The three valuation techniques are as follows

Market approach Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Cost approach Amount that would be required to replace the service capacity of an asset (i e , replacement cost)

Income approach Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models)

Investments and Assets Limited as to Use
The following methods and assumptions were used to estimate the fair value of each class of financial instruments

Cash and Cash Equivalents - The carrying value of cash and cash equivalents approximates fair value as maturities are less than three months and/or include money market funds that are based on quoted prices and actively traded

Fixed Income Securities - The estimated fair value of fixed income securities are based on quoted prices that are traded less frequently than exchange-traded instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data

Bond Mutual Funds – Fair value estimates for publicly traded securities are based on quoted market prices

Government Securities - The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices Fair values of debt securities that do not trade on a regular basis in active markets are classified as Level II

Real Assets – Fair value estimates for publicly traded securities are based on quoted market prices

Equity Mutual Funds – Fair value estimates for publicly traded securities are based on quoted market prices

Equity Securities - Fair value estimates for publicly traded securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices

The categorization of assets limited as to use and investments within the fair value hierarchy are as follows

	December 31, 2012				
	Level 1	Level 2	Level 3	Total	Valuation Technique
Cash and cash equivalents	$ 4,147,535	$ -	$ -	$ 4,147,535	Market
Fixed income securities	-	17,763,863	-	17,763,863	Market
Bond mutual funds	-	13,088,483	-	13,088,483	Market
Government securities	24,982,792	786,850	-	25,769,642	Market
Real assets	5,488,180	-	-	5,488,180	Market
Equity mutual funds	16,303,204	-	-	16,303,204	Market
Equity securities	15,865,353	-	-	15,865,353	Market
	$ 66,787,064	$ 31,639,196	$ -	$ 98,426,260	

	December 31, 2011				
	Level 1	Level 2	Level 3	Total	Valuation Technique
Cash and cash equivalents	$ 6,914,664	$ -	$ -	$ 6,914,664	Market
Fixed income securities	-	20,435,221	-	20,435,221	Market
Bond mutual funds	-	12,227,083	-	12,227,083	Market
Government securities	20,862,934	1,857,792	-	22,720,726	Market
Equity mutual funds	4,525,860	-	-	4,525,860	Market
Equity securities	27,727,238	-	-	27,727,238	Market
	$ 60,030,696	$ 34,520,096	$ -	$ 94,550,792	

4. Temporarily and Permanently Restricted Net Assets

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

	2012	2011
Purchase of property and equipment	$ 2,086,599	$ 90,144
Health care services	65,429	292,071
Education and research	7,464	9,115
	$ 2,159,492	$ 391,330

Permanently restricted net assets are restricted as follows at December 31

	2012	2011
Investments to be held in perpetuity, the income from which is expendable to support operations	$ 828,425	$ 828,425

In September 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") The Hospital has interpreted UPMIFA as requiring the preservation of the value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated 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 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 Hospital in a manner consistent with the standard of prudence prescribed by UPMIFA

The Hospital considers the following factors in determining if donor-restricted endowment funds are accumulated or appropriated

(1) The duration and preservation of the fund

(2) The purposes of the Hospital's donor-restricted endowment funds

(3) General economic conditions

(4) Effect of possible inflation or deflation

(5) The expected total investment return and appreciation of investments

(6) Other resources of the Hospital

(7) Investment policies of the Hospital

The Hospital's permanently restricted net assets consist of individual endowment accounts Unless otherwise directed by the donor, gifts received for endowments are invested in accordance with the Hospital's investment policy Unless otherwise directed by the donor, the Hospital annually appropriates a certain percentage of each endowment fund, which is then available for spending in accordance with the donor's intent In order to preserve the real value of a donor's gift and to sustain funding consistent with donor intent, the annual appropriation rate is set to strike a reasonable balance between long-term objectives of preserving and growing each endowment fund for the future and providing stable, annual appropriations

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors are as follows for the years ended December 31

	2012	2011
Purchase of property and equipment	$ 30,687	$ 379,041
Health care services	35,669	102,488
Education and research	24,048	2,824
Other	72,771	-
	$ 163,175	$ 484,353

5. Property and Equipment

Property and equipment, recorded at cost, consists of the following at December 31

	2012	2011
Land and land improvements	$ 5,945,811	$ 2,552,546
Buildings and building improvements	29,788,332	33,639,506
Permanent fixtures and equipment	27,520,165	32,306,982
Rental property and equipment	1,967,179	1,815,098
	65,221,487	70,314,132
Less Accumulated depreciation	(43,296,855)	(48,818,445)
	21,924,632	21,495,687
Construction in progress	17,833,996	1,076,760
	$ 39,758,628	$ 22,572,447

Depreciation expense in 2012 and 2011 amounted to approximately $5,290,000 and $3,700,000, respectively

On January 20, 2012, the Guthrie Health Board of Directors approved the building of a replacement facility for Corning Hospital The total project cost is estimated at $146 2 million and has received approval from the NYS Department of Health The financing of the project will be through an intercompany loan of up to $42 5 million with Guthrie Health, Series 2012 Bonds, and the balance from investment and board designated funds The facility will be located approximately 4 5 miles from the existing facility on a 70 acre campus Services in the new facility will include 65 private inpatient rooms, outpatient services and a larger cancer center Construction began in June 2012 with planned occupancy by July 2014

6. Long-Term Obligations

Long-term obligations consist of the following at December 31

	2012	2011
Corning Hospital		
Guthrie Health Promissory Note (a)	$ 5,928,412	$ 5,935,604
Guthrie Health Promissory Note (b)	1,268,389	-
Less Current portion of long-term obligations	(4,488)	(4,039)
	$ 7,192,313	$ 5,931,565

(a) On September 8, 2011, Guthrie Health issued $102,370,000 of bonds through the Central Bradford Progress Authority (Series 2011 Bonds) In connection with this offering, Guthrie Health loaned the Hospital approximately $5 9 million for costs of construction and renovation of its facilities The loan is a 30 year agreement with the last payment due on December 1, 2041 Interest rates range from 3% to 5 5% The interest rate charged at December 31, 2012 was 3% Under the Guthrie Health agreement, the consolidated accounts receivable of Guthrie Health are pledged as collateral

(b) On October 18, 2012, Guthrie Health issued $50,000,000 of bonds through the Central Bradford Progress Authority (Series 2012 Bonds) In connection with this offering, Guthrie Health will loan the Hospital $42 5 million for the construction of a new hospital The loan is a 30 year agreement with the last payment due on June 1, 2042 Interest payments are paid monthly at a fixed rate of 4 282% to Guthrie Health Under the Guthrie Health agreement, the consolidated accounts receivable of Guthrie Health are pledged as collateral

Cash paid for interest was $377,421 and $173,652 in 2012 and 2011, respectively

7. Functional Expenses

The Hospital provides health care services Expenses related to providing these services are as follows for the years ended December 31

	2012	2011
Health care services, including education	$ 50,808,212	$ 49,798,380
General and administrative	18,227,370	18,643,409
	$ 69,035,582	$ 68,441,789

8. Pension Plans

The Hospital provides two retirement plans A defined benefit plan for bargaining unit employees and a defined contribution plan for nonbargaining unit employees

Defined Benefit Plan
The Hospital maintains a defined benefit retirement plan (the "Plan") covering eligible bargaining unit employees Plan benefits are generally based on years of service and the employee's compensation The Plan was amended as of December 31, 2008 The amendment froze all benefit accruals for nonbargaining unit members and excludes the nonbargaining unit members from being eligible participants in the Plan effective for periods after December 31, 2008

The following tables set forth the changes in the Plan's benefit obligation, fair value of plan assets and accrued benefit cost at December 31

	2012	2011
Change in benefit obligation		
Benefit obligation at beginning of year	$ 33,881,164	$ 26,988,928
Service cost	734,938	663,972
Interest cost	1,545,892	1,518,370
Benefits paid	(932,268)	(845,373)
Actuarial (gain) loss	1,933,101	5,844,441
Expenses paid	(377,522)	(388,857)
Employee contribution	101,679	99,683
Plan amendments	51,836	-
Benefit obligation at end of year	$ 36,938,820	$ 33,881,164
Change in plan assets		
Fair value of plan assets at beginning of year	$ 22,055,270	$ 22,439,011
Actual return of plan assets	2,816,404	50,806
Employer contribution	5,300,000	700,000
Employee contribution	101,679	99,683
Benefits paid	(932,268)	(845,373)
Expenses paid	(377,522)	(388,857)
Fair value of plan assets at end of year	$ 28,963,563	$ 22,055,270
Amounts recognized in consolidated balance		
Funded Status	$ (7,975,257)	$ (11,825,894)
Funded Status	$ (7,975,257)	$ (11,825,894)

The accumulated benefit obligation at December 31, 2012 and 2011 was $34,295,201 and $31,372,312, respectively

Amounts Recognized in Unrestricted Net Assets
Amounts recognized in unrestricted net assets consist of an actuarial loss of $15,720,429 and $15,868,868 in 2012 and 2011, respectively, and a prior service obligation of $61,184 and $132,373 at December 31, 2012 and 2011, respectively

The composition of net periodic pension cost for the years ended December 31 is as follows

	2012	2011
Service cost	$ 734,938	$ 663,972
Interest cost	1,545,892	1,518,370
Expected return on plan assets	(1,890,697)	(1,644,524)
Amortization of actuarial loss	1,155,833	829,970
Amortization of unrecognized prior service cost	(19,353)	(19,353)
Net periodic pension cost	$ 1,526,613	$ 1,348,435

	2012	2011
Changes recognized in unrestricted net assets		
Net prior service cost	$ 51,836	$ -
Net loss (gain) arising during the year	1,007,394	7,438,159
Amortization or curtailment recognition of prior service credit (cost)	19,353	19,353
Amortization or settlement recognition of net gain (loss)	(1,155,833)	(829,970)
Total recognized in unrestricted net assets	$ (77,250)	$ 6,627,542
Total recognized in net periodic benefit pension cost and unrestricted net assets	$ 1,449,363	$ 7,975,977

Assumptions

Weighted-average assumptions used at December 31 and for the years ended are as follows

	2012	2011
Benefit obligations		
Discount rate	4 10 %	4 30 %
Rate of compensation increase	3 50 %	3 50 %
Net periodic pension cost		
Discount rate	4 90 %	5 55 %
Expected long-term return on plan assets	7 50 %	7 63 %
Rate of compensation increase	3 50 %	3 50 %

The expected long-term rate of return on plan assets is determined considering the investment policy, asset allocation, and expected future returns Historical returns and future economic forecasts are also reviewed to access the reasonableness of the assumption

Investment Policy

The Guthrie Health Investment Committee is responsible for establishing investment objectives, guidelines, and target allocations of plan assets The Committee utilizes investment consultants to analyze returns compared to benchmarks, and to ensure compliance to all objectives, guidelines, and targets Investment managers are utilized based on the asset allocation strategy Performance is monitored by the Committee on a quarterly basis

Plan Assets

The weighted average asset allocations by asset category are as follows at December 31

	2012	2011
Cash and cash equivalents	8 %	6 %
Equities	56	60
Government and fixed income securities	36	34
	100 %	100 %

Cash Flows

The Hospital expects to contribute approximately $2,500,000 to the pension plan in 2013

Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

2013	$ 1,030,000
2014	1,190,000
2015	1,330,000
2016	1,510,000
2017	1,640,000
2018–2022	9,720,000
	$ 16,420,000

In 2013, the actuarial net loss and prior service credit for the pension plan that will be recognized as a component of the net periodic cost are $1,464,866 and $13,039, respectively

The following table presents the Plan's financial instruments as of December 31, 2012 and 2011, measured at fair market value on a recurring basis using the fair value hierarchy defined in Note 3

	December 31, 2012				
	Level 1	Level 2	Level 3	Total	Valuation Technique
Cash and cash equivalents	$ 2,349,924	$ -	$ -	$ 2,349,924	Market
Fixed income securities	-	5,032,498	-	5,032,498	Market
Government securities	5,398,997	-	-	5,398,997	Market
Equities	16,182,144	-	-	16,182,144	Market
	$ 23,931,065	$ 5,032,498	$ -	$ 28,963,563	

	December 31, 2011				
	Level 1	Level 2	Level 3	Total	Valuation Technique
Cash and cash equivalents	$ 579,372	$ -	$ -	$ 579,372	Market
Fixed income securities	-	5,197,632	-	5,197,632	Market
Government securities	4,437,978	-	-	4,437,978	Market
Pledge receivable, net of curren	11,840,288	-	-	11,840,288	Market
	$ 16,857,638	$ 5,197,632	$ -	$ 22,055,270	

Defined Contribution Plan
As of January 1, 2009, nonbargaining unit employees began participating in the GHS defined contribution plan Nonbargaining unit employees who have attained the age of twenty-one and have completed one year of credited service, are eligible to participate in the GHS Retirement Savings Plan, a defined contribution plan The plan is funded by GHS at a matching formula with a base contribution For employer contributions, participants are 50% vested after two years, 75% vested after three years and 100% vested after four years of credited service

Pension expense under the GHS defined contribution plan for the years ended December 31, 2012 and 2011 was $265,968 and $239,654, respectively

9. Insurance Coverage

Professional and General Liability Insurance
Guthrie Health formed Guthrie Risk Retention Group (GRRG) to provide primary medical malpractice and general liability coverage for certain affiliates effective July 1, 2004 The Hospital is insured under GRRG and has accrued for the claims reported and claims incurred but not reported under the claims-made policies

Workers' Compensation Claims
The Hospital is partially self-insured for workers' compensation claims for those claims incurred from July 1, 1989 to June 30, 2009 Under this plan, the Hospital is liable for any claims up to $400,000 per occurrence The Hospital is required to maintain a letter of credit of approximately $4,497,000 in order to collateralize potential payments for these claims Claims incurred prior to July 1, 1989 are fully insured Claims incurred after July 1, 2009 are insured under a large deductible plan Under this plan, the Hospital is liable for any claims up to $250,000 per occurrence Amounts recognized as insurance receivables related to the claims approximate $1,659,000 and $896,000 at December 31, 2012 and 2011, respectively and are recorded in other assets in the consolidated financial statements Insurance recoveries are measured on the same basis as the liability subject to the need for a valuation allowance for uncollectable amounts

The amount charged to expense for workers' compensation claims was approximately ($855,000) and $322,000 in 2012 and 2011, respectively

Health Insurance
The Hospital partially retains risk for medical insurance It is the Hospital's policy to reserve for claims reported and claims incurred but not reported

10. Transactions With Related Parties

GHS and other related parties provide services, such as administrative, physical therapy, occupational therapy, speech therapy, dietary, laundry and pharmacy services, as well as building rental, to the Hospital The expense related to the above services was $9,519,631 and $9,064,447 for 2012 and 2011, respectively Amounts due from (to) GHS and other related parties was $2,458,338 and ($134,110) as of December 31, 2012 and 2011, respectively

Notes payable to related parties at December 31 are as follows

Notes payable to related parties at December 31 are as follows

	2012	2011
Guthrie Healthcare System (GHS)		
Notes payable (a)(b)(c)	$ 1,044,352	$ 1,227,254
Less Current portion	(185,147)	(182,903)
	$ 859,205	$ 1,044,351

(a) Balance includes a note payable of $1,000,000 from GCDC to GHS The note bears interest at the prime rate and is payable in annual principal installments of $66,667

(b) Balance includes a note payable of $1,198,143 from GCDC to GHS The note bears interest at 6% and is payable in annual principal installments of $79,876

(c) Balance includes a note payable of $671,450 from GCDC to GHS The note bears interest at 6% and is payable in monthly installments that vary due to outstanding principal balance

11. Contingencies

Regulatory Compliance

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time

Litigation

The Hospital is involved in certain claims and legal proceedings in the normal course of business in which monetary damages and other relief are sought The Hospital is vigorously contesting these claims However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be determined In any event, it is the opinion of management, after considering the effects of insurance coverage and related reserve estimates, the liability to the Hospital, if any, for claims or proceedings will not materially affect its financial position

Consolidating Financial Information

pwc

Independent Auditor's Report
on Accompanying Consolidating Information

To the Board of Directors of
Corning Hospital and Affiliate

We have audited the consolidated financial statements of Corning Hospital and Affiliate as of December 31, 2012 and for the year then ended and our report thereon appears on page 1 of this document

That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The consolidating 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 consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies

PricewaterhouseCoopers LLP

May 24, 2013

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Corning Hospital and Affiliate
Consolidating Balance Sheet
December 31, 2012

	Corning	GCDC	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 2,216,603	$ 154,520	$ -	$ 2,371,123
Note receivable - affiliate	105,271	-	(105,271)	-
Patient accounts receivable, net of estimated uncollectibles of $7,934,030 and $7,088,704 for 2012 and 2011, respectively	9,485,659	-	-	9,485,659
Inventories	1,488,946	-	-	1,488,946
Due from related parties	2,746,278	-	-	2,746,278
Prepaid expenses and other assets	4,490,916	64	-	4,490,980
Total current assets	20,533,673	154,584	(105,271)	20,582,986
Assets limited as to use				
Trustee held funds under indenture agreement	882,483	-	-	882,483
Board-designated funds, temporarily and permanently restricted and self-insured trust funds	23,946,155	17,198	-	23,963,353
Total assets limited as to use	24,828,638	17,198	-	24,845,836
Investments	73,580,424	-	-	73,580,424
Note receivable - affiliate, net of current portion	2,796,375	-	(2,796,375)	-
Pledge receivable, net of current portion	1,223,499	-	-	1,223,499
Property and equipment, net	34,475,493	5,283,135	-	39,758,628
Other assets, net	2,703,880	-	-	2,703,880
Total assets	$ 160,141,982	$ 5,454,917	$ (2,901,646)	$ 162,695,253
Liabilities and Net Assets				
Current liabilities				
Current maturities of long-term obligations	$ 4,488	$ -	$ -	$ 4,488
Note payable - related party	-	290,418	(105,271)	185,147
Due to related parties	268,235	19,705	-	287,940
Accounts payable and accrued expenses	8,654,150	2,877	-	8,657,027
Accrued payroll, taxes, vacation and related liabilities	2,996,987	-	-	2,996,987
Estimated third-party payable, net	9,169,269	-	-	9,169,269
Total current liabilities	21,093,129	313,000	(105,271)	21,300,858
Long-term liabilities				
Long-term obligations, net of current maturities	7,192,313	-	-	7,192,313
Note payable - related party, net of current portion	-	3,655,580	(2,796,375)	859,205
Accrued pension cost, net	7,975,257	-	-	7,975,257
Self-insured liabilities, net of current portion	15,273,358	32,722	-	15,306,080
Asset retirement obligation	7,583,975	-	-	7,583,975
Total liabilities	59,118,032	4,001,302	(2,901,646)	60,217,688
Net assets				
Unrestricted	98,036,033	1,453,615	-	99,489,648
Temporarily restricted	2,159,492	-	-	2,159,492
Permanently restricted	828,425	-	-	828,425
Total net assets	101,023,950	1,453,615	-	102,477,565
Total liabilities and net assets	$ 160,141,982	$ 5,454,917	$ (2,901,646)	$ 162,695,253

See accompanying Independent Auditors Report

Corning Hospital and Affiliate
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

	Corning	GCDC	Eliminations	Consolidated
Unrestricted revenue				
Net patient service revenue, net of provision for bad debts of $5,587,568 and $3,813,954 for 2012 and 2011, respectively	$ 79,935,297	$ -	$ -	$ 79,935,297
Other operating revenue	4,485,562	522,308	(690,771)	4,317,099
Total revenues	84,420,859	522,308	(690,771)	84,252,396
Expenses				
Salaries and wages	25,232,162	-	-	25,232,162
Employee benefits	6,729,739	-	-	6,729,739
Purchased services	12,423,555	-	-	12,423,555
Supplies	14,437,701	-	-	14,437,701
Other expenses	5,062,968	8,242	(522,308)	4,548,902
Depreciation and amortization	5,120,227	176,973	-	5,297,200
Interest	306,670	228,116	(168,463)	366,323
Total expenses	69,313,022	413,331	(690,771)	69,035,582
Income from operations	15,107,837	108,977	-	15,216,814
Nonoperating income				
Pledge receivable, net of current portion	2,472,920	357	-	2,473,277
Unrealized and realized gains and losses on investments, net	6,503,686	883	-	6,504,569
Contributions	674,881	-	-	674,881
Other, net	4,546	-	-	4,546
Nonoperating income, net	9,656,033	1,240	-	9,657,273
Excess of revenues over expenses	$ 24,763,870	$ 110,217	$ -	$ 24,874,087

See accompanying Independent Auditors Report

Corning Hospital and Affiliate
Consolidating Statement of Operations and Changes in Net Assets, Continued
Year Ended December 31, 2012

	Corning	GCDC	Eliminations	Consolidated
Unrestricted net assets				
Excess of revenue over expenses	$ 24,763,870	$ 110,217	$ -	$ 24,874,087
Change in pension obligation	77,224	-	-	77,224
Net assets released from restrictions used for purchase of property and equipment	30,687	-	-	30,687
Increase in unrestricted net assets	24,871,781	110,217	-	24,981,998
Temporarily restricted net assets				
Contributions and grant income	1,912,666	-	-	1,912,666
Net unrealized gains on investments	3,159	-	-	3,159
Realized losses on investments	8,716	-	-	8,716
Interest and dividends, net of investment fees	6,797	-	-	6,797
Net assets released from restrictions	(163,175)	-	-	(163,175)
Increase in temporarily restricted net assets	1,768,163	-	-	1,768,163
Increase in net assets	26,639,944	110,217	-	26,750,161
Net assets				
Beginning of year	74,384,006	1,343,398	-	75,727,404
Pledge receivable, net of current portion	$ 101,023,950	$ 1,453,615	$ -	$ 102,477,565

See accompanying Independent Auditors Report

Corning Hospital and Affiliate
Consolidating Statement of Cash Flows
Year Ended December 31, 2012

	Corning	GCDC	Eliminations	Consolidated
Cash flows from operating activities				
Change in net assets	$ 26,639,944	$ 110,217	$ -	$ 26,750,161
Adjustment to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization	5,120,228	176,972	-	5,297,200
Net realized and unrealized losses on investments	(6,515,561)	883	-	(6,514,678)
Gain (loss) on sale of fixed assets, net	4,546	-	-	4,546
Pension obligation adjustment	(77,224)	-	-	(77,224)
Restricted contributions and grants received	(689,167)	-	-	(689,167)
Provision for bad debts	5,587,568	-	-	5,587,568
Early extinguishment of debt	-	-	-	-
Changes in operating assets and liabilities				
Patient accounts receivable	(5,871,992)	-	-	(5,871,992)
Inventories	(2,493)	-	-	(2,493)
Pledge receivable	(1,223,499)	-	-	(1,223,499)
Prepaid expenses and other assets	(2,711,230)	34	-	(2,711,196)
Accrued pension cost, net	(3,773,413)	-	-	(3,773,413)
Accounts payable and accrued expenses	29,383	326	-	29,709
Accrued payroll, taxes, vacation and related liabilities	(57,927)	-	-	(57,927)
Estimated third-party payables, net	2,198,441	-	-	2,198,441
Self-insured liabilities	(1,226,798)	(329)	-	(1,227,127)
Due to related parties, net	(2,589,694)	(2,754)	-	(2,592,448)
Asset Retirement Obligation	(1,495,132)	-	-	(1,495,132)
Net cash provided by operating activities	13,345,980	285,349	-	13,631,329
Cash flows from investing activities				
Purchase of property and equipment	(19,393,281)	-		(19,393,281)
Purchase of assets limited as to use and investments, net	2,636,255	2,955		2,639,210
Net cash (used in) provided by investing activities	(16,757,026)	2,955	-	(16,754,071)
Cash flows from financing activities				
Proceeds from long-term obligations	1,268,389	-	-	1,268,389
Payments of long-term obligations	(7,192)	-	-	(7,192)
Payments on note payable - related party	103,027	(285,929)	-	(182,902)
Deferred financing costs	(637,500)	-	-	(637,500)
Restricted contributions and grants received	689,167	-	-	689,167
Net cash provided by (used in) financing activities	1,415,891	(285,929)	-	1,129,962
Net increase (decrease) in cash and cash equivalents	(1,995,155)	2,375	-	(1,992,780)
Cash and cash equivalents				
Beginning of year	4,211,758	152,145	-	4,363,903
End of year	$ 2,216,603	$ 154,520	$ -	$ 2,371,123
Supplemental information of non-cash transactions				
Property and equipment purchased in accounts payable	$ 3,406,958	$ -	$ -	$ 3,406,958

See accompanying Independent Auditors Report