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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

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

C Name of organization
CAYUGA MEDICAL CENTER AT ITHACA

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
101 DATES DRIVE

City or town, state or province, country, and ZIP or foreign postal code
ITHACA, NY 14850

D Employer identification number
22-2325405

E Telephone number
(607) 274-4441

G Gross receipts $ 182,234,051

F Name and address of principal officer
JOHN B RUDD
101 DATES DRIVE
ITHACA, NY 14850

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW CAYUGAMED ORG

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

L Year of formation 1981

M State of legal domicile NY

Part I Summary

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

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,499
6	Total number of volunteers (estimate if necessary)	**6**	145
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,167,007
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	194,873

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	535,325	490,182
9	Program service revenue (Part VIII, line 2g)	163,989,019	171,681,227
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,446,588	7,987,250
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,904,710	1,891,702
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	174,875,642	182,050,361
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	7,715	8,650
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)	82,611,722	88,489,906
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	78,314,862	81,929,749
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	160,934,299	170,428,305
19	Revenue less expenses Subtract line 18 from line 12	13,941,343	11,622,056

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	268,551,156	302,594,841
21	Total liabilities (Part X, line 26)	98,917,343	108,446,079
22	Net assets or fund balances Subtract line 21 from line 20	169,633,813	194,148,762

Net Assets or Fund Balances

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

****** | 2014-11-13
Signature of officer | Date

JOHN B RUDD PRESIDENT/CEO
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 ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 129,898,142 including grants of $ 7,650) (Revenue $ 172,773,841)

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

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

A HEALTH CAREER SCHOLARSHIP AWARDED TO STUDENTS PURSUING A HEALTHCARE DEGREE TWO PARTICIPANTS IN 2013

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** ▶ 129,899,142

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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, 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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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 or other assistance to any domestic organization or government 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 or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, 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 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, 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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, 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 or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	216		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,499		
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" to line 3b, 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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** 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 or note to any line 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**	14		
	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**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review 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

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

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

Check if Schedule O contains a response or note to any line 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			
(1) JOHN B RUDD PRESIDENT/CEO	40 00	X		X				407,500	0	28,100
(2) PETER BARDAGLIO PHD DIRECTOR	1 00	X						0	0	0
(3) LARRY BAUM CHAIR	1 00	X		X				0	0	0
(4) JOANNE DESTEFANO DIRECTOR	1 00	X						0	0	0
(5) TONY EISENHUT DIRECTOR	1 00	X						0	0	0
(6) GARY FERGUSON TREASURER	1 00	X		X				0	0	0
(7) SAMI HUSSEINI MD SECRETARY	1 00	X		X				0	0	0
(8) BONITA LINDBERG DIRECTOR	1 00	X						0	0	0
(9) BRIAN MCARE VICE CHAIR	1 00	X		X				0	0	0
(10) JOHN NEUMAN DIRECTOR	1 00	X						0	0	0
(11) PAULA YOUNGER DIRECTOR	1 00	X						0	0	0
(12) DREW KOCH DO DIRECTOR	1 00	X						0	0	0
(13) GREG HARTZ DIRECTOR	1 00	X						0	0	0
(14) JOHN LAMBERT MD DIRECTOR	1 00	X						0	0	0
(15) JOHN COLLETT VP/CFO	40 00			X				205,650	0	26,840
(16) TIMOTHY BAEL MD DIRECTOR/ONCOLOGIST	40 00					X		562,778	0	10,858
(17) CHARLES GARBO MD ONCOLOGIST	40 00					X		578,253	0	9,558

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			
(18) JULIE CAMPBELL MD ONCOLOGIST	40 00					X		446,982	0	9,558
(19) DAVID EVELYN MD MEDICAL DIRECTOR/V P	40 00					X		303,515	0	24,183
(20) AUGUSTE DUPLAN MD ADOL PSYCHIATRIST	40 00					X		293,319	0	9,558
(21) D ROBERT MACKENZIE MD FORMER CEO	1 00						X	2,110,554	0	4,000

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	4,908,551	0	122,655

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 ▶8

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
LP CIMINELLI 2421 MAIN ST BUFFALO NY 14214	CONSTRUCTION SERVICES	9,279,471
CAYUGA ANESTHESIA ASSOCIATES PLLC PO BOX 366 ITHACA NY 14850	ANESTHESIOLOGY SERVICES	1,703,715
HEALTHCARE SERVICES MANAGEMENT 1 BATTERMARCH PARK SUITE 311 QUINCY MA 02169	CONSULTING SERVICES	1,521,918
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINNEAPOLIS MN 55480	LABORATORY SERVICES	1,445,614
FASTAFF PO BOX 911452 DENVER CO 80291	TEMPORARY SERVICES	1,265,283

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 ▶28

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a 17,000				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e 204,652				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 268,530				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		490,182			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	900099	168,881,448	168,881,448		
	b	CAFETERIA MEALS REVENU	722210	1,282,464	1,282,464		
	c	MEDICAL SERVICES REVEN	621400	920,704	920,704		
	d	ATHLETIC TRAINING REVE	621990	437,018	437,018		
	e	RENTAL INCOME	531120	118,735	118,735		
	f	All other program service revenue		40,858	40,858		
	g	**Total.** Add lines 2a–2f . . . . . ▶		171,681,227			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		2,912,568	260,036	214,318	2,438,214
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	50,920				
	b	Less rental expenses	77,255				
	c	Rental income or (loss)	-26,335				
	d	Net rental income or (loss) . . . . . ▶		-26,335		-26,335	
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	5,181,117				
	b	Less cost or other basis and sales expenses	0 / 106,435				
	c	Gain or (loss)	5,181,117 / -106,435				
	d	Net gain or (loss) . . . . . ▶		5,074,682	-106,435		5,181,117
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	OTHER OPERATING REVENU	900099	1,112,841	939,013	173,828	
	b	PROFESSIONAL SERVICES	541200	805,196		805,196	
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		1,918,037			
	12	**Total revenue.** See Instructions . . . . . ▶		182,050,361	172,773,841	1,167,007	7,619,331

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 or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	8,650	8,650		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	668,090		668,090	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	62,501,087	47,632,698	14,868,389	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,762,998	6,610,773	2,152,225	
9 Other employee benefits	12,181,522	9,316,350	2,865,172	
10 Payroll taxes	4,376,209	3,305,792	1,070,417	
11 Fees for services (non-employees)				
a Management	10,161,708	8,989,646	1,172,062	
b Legal	354,313	21,900	332,413	
c Accounting	164,964		164,964	
d Lobbying	29,393		29,393	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	70,000		70,000	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	9,500,485	4,572,105	4,928,380	
12 Advertising and promotion	1,068,014		1,068,014	
13 Office expenses	37,691,194	33,782,515	3,908,679	
14 Information technology	2,273,595	1,705,196	568,399	
15 Royalties . .				
16 Occupancy	3,920,583	2,677,948	1,242,635	
17 Travel	286,590	133,628	152,962	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,153,832		1,153,832	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,694,045	9,511,709	3,182,336	
23 Insurance	1,517,791	1,517,791		
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 NYS FEES ASSESSMENT	682,565		682,565	
b PHYSICIAN ADVANCE FORGI	210,909		210,909	
c LICENSE/CERTIFICATES/PE	149,768	112,441	37,327	
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	170,428,305	129,899,142	40,529,163	0
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 or note to any line in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		6,253	1	6,535
	2	Savings and temporary cash investments		12,676,900	2	9,908,975
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		39,410,307	4	45,358,471
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net		269,775	7	324,314
	8	Inventories for sale or use		6,723,671	8	7,010,742
	9	Prepaid expenses and deferred charges		10,630,367	9	10,115,671
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 212,675,422			
	b	Less accumulated depreciation	10b 101,343,905	103,237,938	10c	111,331,517
	11	Investments—publicly traded securities		81,630,015	11	101,008,061
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		1,529,995	14	1,529,995
	15	Other assets See Part IV, line 11		12,435,935	15	16,000,560
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		268,551,156	16	302,594,841
Liabilities	17	Accounts payable and accrued expenses		68,452,906	17	54,779,951
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		19,667,745	20	41,698,508
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		10,796,692	25	11,967,620
	26	**Total liabilities.** Add lines 17 through 25		98,917,343	26	108,446,079
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		165,558,404	27	189,927,037
	28	Temporarily restricted net assets		2,681,874	28	2,828,190
	29	Permanently restricted net assets		1,393,535	29	1,393,535
		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		169,633,813	33	194,148,762
	34	Total liabilities and net assets/fund balances		268,551,156	34	302,594,841

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	182,050,361
2	Total expenses (must equal Part IX, column (A), line 25)	2	170,428,305
3	Revenue less expenses Subtract line 2 from line 1	3	11,622,056
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	169,633,813
5	Net unrealized gains (losses) on investments	5	8,471,048
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	4,421,845
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	194,148,762

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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		

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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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

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

1 ☐ A church, convention of churches, or association of churches 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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
CAYUGA MEDICAL CENTER AT ITHACA	22-2325405

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

1 Provide a description of the organization's direct and indirect political campaign activities 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) 2010	(b) 2011	(c) 2012	(d) 2013	(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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		29,393
i	Other activities?		No	
j	Total Add lines 1c through 1i			29,393
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

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

Return Reference	Explanation

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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	4,075,409	3,827,599	3,579,792	3,339,356	3,018,724
b	Contributions	285,530	338,453	285,603	241,036	268,842
c	Net investment earnings, gains, and losses	260,036	120,664	-24,461	113,370	153,608
d	Grants or scholarships	399,250	211,307	13,335	1,625	1,125
e	Other expenditures for facilities and programs				112,345	100,693
f	Administrative expenses					
g	End of year balance	4,221,725	4,075,409	3,827,599	3,579,792	3,339,356

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

- a Board designated or quasi-endowment ▶ 66 990 %
- b Permanent endowment ▶ 33 010 %
- c Temporarily restricted endowment ▶

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. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,829,462		2,829,462
b Buildings		105,173,284	46,641,923	58,531,361
c Leasehold improvements		2,415,369	1,211,398	1,203,971
d Equipment		78,832,972	50,489,754	28,343,218
e Other		23,424,335	3,000,830	20,423,505
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				111,331,517

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. 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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) DUE FROM FOUNDATION	5,580,115
(2) EQUITY IN RELATED PARTIES	4,529,261
(3) INSURANCE RECEIVABLE	4,831,855
(4) UNAMORTIZED BOND COSTS	1,059,329
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	16,000,560

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO THIRD PARTY PAYERS	8,026,198
FAIR VALUE OF INTEREST RATE SWAP	697,346
ACCRUED INSURANCE CLAIMS	3,244,076
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	11,967,620

2. Liability for uncertain tax positions 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 Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	195,020,509
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	8,471,048		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	4,499,100		
e	Add lines **2a** through **2d**			2e	12,970,148
3	Subtract line **2e** from line **1**			3	182,050,361
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	0
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	182,050,361

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	170,505,560
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	77,255		
e	Add lines **2a** through **2d**			2e	77,255
3	Subtract line **2e** from line **1**			3	170,428,305
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	0
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	170,428,305

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE INTENDED USE FOR THE ENDOWMENT FUND OF THE CAYUGA MEDICAL CENTER AT ITHACA IS TO SUPPORT THE HOSPITAL'S ONGOING MISSION TO DELIVER THE HIGHEST QUALITY HEALTHCARE IN PARTNERSHIP WITH OUR COMMUNITY, ONE PERSON AT A TIME
PART X, LINE 2	THE MEDICAL CENTER IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE THE MEDICAL CENTER HAS ALSO BEEN CLASSIFIED BY THE INTERNAL REVENUE SERVICE (IRS) AS AN ENTITY THAT IS NOT A PRIVATE FOUNDATION AS OF DECEMBER 31, 2013 AND 2012, THE MEDICAL CENTER DID NOT HAVE A LIABILITY FOR UNRECOGNIZED TAX BENEFITS THE MEDICAL CENTER FILES INCOME TAX RETURNS IN THE U S FEDERAL JURISDICTION AND NEW YORK STATE THE MEDICAL CENTER IS NO LONGER SUBJECT TO U S FEDERAL AND STATE INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2010
PART XI, LINE 2D - OTHER ADJUSTMENTS	UNREALIZED LOSS ON INTEREST RATE SWAP 594,354 PENSION AND POST RETIREMENT RELATED CHANGES 11,921,977 RENTAL EXPENSES 77,255 EQUITY IN OTHER CORPORATIONS -8,094,486
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 77,255

Part XIII Supplemental Information *(continued)*

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.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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 ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
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 ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
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		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit 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)			178,430		178,430	0 100 %
b Medicaid (from Worksheet 3, column a)			16,947,940	12,575,764	4,372,176	2 570 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			17,126,370	12,575,764	4,550,606	2 670 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			10,891,183	725,977	10,165,206	5 960 %
f Health professions education (from Worksheet 5)			755,512		755,512	0 440 %
g Subsidized health services (from Worksheet 6)			56,344,986	43,279,687	13,065,299	7 670 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			119,577		119,577	0 070 %
j **Total.** Other Benefits			68,111,258	44,005,664	24,105,594	14 140 %
k **Total.** Add lines 7d and 7j			85,237,628	56,581,428	28,656,200	16 810 %

Part II Community Building Activities Complete this table 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 6,778,247		
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 2,930,914		
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 9,809,773		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 16,989,786		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7 -7,180,013		
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, primary website address, and state license number	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
	See Additional Data Table										

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 CAYUGA MEDICAL CENTER AT ITHACA

If reporting on Part V, Section B for a single hospital facility 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**	Yes	
	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 2013			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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**	Yes	
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**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.CAYUGAMED.ORG/DOCS/CHNA13.PDF			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ 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 as of the end of the tax year)			
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**		No
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**		No
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 000000000000% 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 000000000000% 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 ☑ Residency			
i ☐ 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 individual'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 Section C)			
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 individual's eligibility under the facility's FAP?	**17**	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

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 individual 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 individual 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. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
CAYUGA MEDICAL CENTER AT ITHACA	PART V, SECTION B, LINE 3 INFORMATION FOR THE CHNA WAS GATHERED IN FOUR WAYS A META-ANALYSIS OF HEALTH ASSESSMENTS FOR CAYUGA, CORTLAND, SCHUYLER, SENECA, TIOGA, AND TOMPKINS COUNTIES, PARTICIPATION AND USE OF TOMPKINS COUNTY HEALTH PLANNING COUNCIL'S COMMUNITY SURVEY, CONDUCTED FOCUS GROUPS WITHIN THE ITHACA COMMUNITY, AND FEEDBACK GATHERED THROUGH PARTICIPATION ON OVER 15 COMMUNITY BOARDS TARGET REQUESTS FOR PARTICIPATION ON THE ONLINE SURVEY WERE MADE TO COUNTY DEPARTMENTS, COMMUNITY ORGANIZATIONS, HEALTH COUNCIL BOARD EDUCATORS, HEALTH CARE PROFESSIONALS, LOCAL LEGISLATORS, AND THE BOARD OF HEALTH THE TWO FOCUS GROUPS WERE CONDUCTED WITHIN THE DOWNTOWN ITHACA, NY AREA THIS AREA HAS SOME OF THE HIGHEST CONCENTRATION OF SOME OF THE MOST DISPARATE GROUPS WITHIN CAYUGA MEDICAL CENTERS PRIMARY SERVICE AREA THE FIRST FOCUS GROUP WAS COMPRISED OF BUSINESS OWNERS AND OPERATORS TO ADDRESS THE HEALTH NEEDS OF THE INDIVIDUALS WHO COMMUTE INTO ITHACA FOR WORK THE SECOND FOCUS GROUP ADDRESSED THE CONCERNS OF THE DOWNTOWN ITHACA AREA, WITH A STRONG SEGMENT OF THE GROUP MADE UP OF INDIVIDUALS IN LOW-INCOME SITUATIONS
CAYUGA MEDICAL CENTER AT ITHACA	PART V, SECTION B, LINE 7 CAYUGA MEDICAL CENTER DID NOT DEVELOP A PLAN TO ADDRESS THE ISSUES OF 1) % OF UNINSURED CHILDREN EXCEEDS STATE AVERAGE IN FIVE OUT OF SIX COUNTIES, OR 2) PHYSICIAN AVAILABILITY FOR MEDICAID PERSONS BOTH OF THESE ISSUES REQUIRE SUBSTANTIAL COLLABORATION ACROSS CARE DELIVERY SYSTEMS AND ARE NOT SOMETHING THAT CAYUGA MEDICAL CENTER IS POISED TO ADDRESS INDPENDENTLY AT THIS TIME
CAYUGA MEDICAL CENTER AT ITHACA	PART V, SECTION B, LINE 20D THE HOSPITAL FACILITY USED THE RATES NEGOTIATED OF THE LARGEST COMMERCIAL PAYERS IN THE MARKET

Part V Facility Information *(continued)*

Section D. 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? **6**

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	PART III, LINE 6 THE COST TO CHARGE RATIO CALCULATED ON SUPPLEMENTAL WORKSHEET 6 FROM PART 1 LINE 7 OF 57 09% WAS APPLIED TO THE MEDICARE GROSS PATIENT REVENUE OF $82,759,185 FOR THE FY 2012
PART III, LINE 2	THE MEDICAL CENTER PROVIDES SERVICES THAT ARE PAID FOR BY THIRD-PARTY PAYERS AND INDIVIDUALS THE MEDICAL CENTER DOES NOT ACCRUE INTEREST ON THESE RECEIVABLES THE MEDICAL CENTER ESTIMATES THE AMOUNT TO BE RECOGNIZED IN THE FINANCIAL STATEMENTS FOR DOUBTFUL ACCOUNTS BY ANALYZING PATIENT ACCOUNTS FOR COLLECTIBILITY AND APPLYING HISTORICALLY ESTABLISHED PERCENTAGES FOR SELF-PAY AND VARIOUS THIRD-PARTY PAYERS TO THE AGING CATEGORIES IN THE ACCOUNTS RECEIVABLE AGING ACCOUNTS FOR WHICH NO PAYMENTS HAVE BEEN RECEIVED FOR A SIGNIFICANT AMOUNT OF TIME ARE CONSIDERED DELINQUENT AND THE ACCOUNT IS WRITTEN-OFF WHEN CUSTOMARY COLLECTION EFFORTS ARE EXHAUSTED

Form and Line Reference	Explanation
PART III, LINE 3	FOR CALCULATING THE BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY OF THE MEDICAL CENTER, THE DENIAL RATE WAS APPLIED TO THE REPORTED BAD DEBT EXPENSE THIS ALLOWS THE MEDICAL CENTER TO BE CONSERVATIVE IN THE ESTIMATE OF WHAT AMOUNT THE ORGANIZATIONS BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE IS
PART III, LINE 4	THE PAGE NUMBER IN THE ATTACHED FINANCIAL STATEMENTS ON WHICH THE FOOTNOTE IS CONTAINED THAT DESCRIBES BAD DEBT IS PAGE 5, FOOTNOTE # 2 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES - NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE

Form and Line Reference	Explanation
PART VI, LINE 2	THE CAYUGA MEDICAL CENTER AT ITHACA WORKS DIRECTLY WITH THE HEALTH PLANNING COUNCIL OF TOMPKINS COUNTY, BOTH ARE MEMBERS OF THE ADVISORY BOARD OF TOMPKINS COUNTY AND SURROUNDING AREAS AND SOLICIT VARIOUS FEEDBACK ON SERVICE GROWTH AFTER CONDUCTING THE COMMUNITY HEALTH NEEDS ASSESSMENT IN 2013, CMC'S COMMUNITY HEALTH COUNCIL IDENTIFIED THE FOLLOWING COMMUNITY HEALTH NEEDS FOR CMC TO IMPACT 1 CHILD OBESITY2 ADULT OBESITY3 IMPROVING BREAST CANCER SCREENING4 IMPACTING CHRONIC LOWER RESPIRATORY DISEASE THROUGH ASTHMA TREATMENT AND PREVENTION5 ASSIST IN IMPROVING MENTAL HEALTH RESOURCE COORDINATION6 IMPACTING THE SUICIDE RATE
PART VI, LINE 3	CAYUGA MEDICAL CENTER AT ITHACA'S (CMC) BAD DEBT COLLECTION POLICY DOES NOT MAKE ANY SPECIFIC PROVISION FOR COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE HOWEVER CMC'S STANDARD OPERATING PRACTICE IS TO STOP ALL COLLECTION EFFORTS AND HOLD ACCOUNTS BACK FROM BAD DEBT UNTIL THE PATIENT IS GIVEN SUFFICIENT TIME TO COMPLETE A FINANCIAL ASSISTANCE APPLICATION REVIEW OF THE APPLICATION WILL BE MADE BY THE HOSPITAL AND PATIENTS ARE NOTIFIED OF DETERMINATION WITHIN 30 DAYS OF RECEIPT OF A COMPLETED APPLICATION IF PATIENT DOES NOT QUALIFY FOR EITHER PARTIAL OR FULL ASSISTANCE, THEN A MONTHLY PAYMENT PLAN IS OFFERED TO THE PATIENT FOR ANY REMAINING BALANCES DUE IF THE PATIENT QUALIFIES FOR ANY FINANCIAL ASSISTANCE, AN ADJUSTMENT IS IMMEDIATELY POSTED TO THE PATIENTS ACCOUNT UPON DETERMINATION OF QUALIFICATION

Form and Line Reference	Explanation
PART VI, LINE 4	EACH YEAR MORE THAN 155,000 PATIENTS FROM THE GREATER CENTRAL NEW YORK REGION, INCLUDING, BUT NOT LIMITED TO TOMPKINS COUNTY AND PORTIONS OF CAYUGA, CHEMUNG, CORTLAND, SCHUYLER, SENECA AND TIOGA COUNTIES USE THE MEDICAL CENTER'S COMPREHENSIVE ACUTE CARE, URGENT CARE CENTERS, AND OUTPATIENT SERVICES
PART VI, LINE 7, REPORTS FILED WITH STATES	NY

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

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

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EMPLOYEE DISASTER FUND	15	7,650	0	BOOK	
(2) KOMARMI SCHOLARSHIP	2	1,000	0	BOOK	

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement 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 directors, trustees, officers, including 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**	Yes	
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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				
(1)JOHN B RUDD PRESIDENT/CEO	(i) (ii)	385,000 0	22,500 0	0 0	5,100 0	23,000 0	435,600 0	0 0
(2)JOHN COLLETT VP/CFO	(i) (ii)	192,000 0	13,650 0	0 0	3,840 0	23,000 0	232,490 0	0 0
(3)TIMOTHY BAEL MD DIRECTOR/ONCOLOGIST	(i) (ii)	512,123 0	50,655 0	0 0	5,100 0	5,758 0	573,636 0	0 0
(4)CHARLES GARBO MD ONCOLOGIST	(i) (ii)	504,890 0	73,363 0	0 0	5,100 0	4,458 0	587,811 0	0 0
(5)JULIE CAMPBELL MD ONCOLOGIST	(i) (ii)	399,901 0	47,081 0	0 0	5,100 0	4,458 0	456,540 0	0 0
(6)DAVID EVELYN MD MEDICAL DIRECTOR/V P	(i) (ii)	283,250 0	20,265 0	0 0	5,100 0	19,083 0	327,698 0	0 0
(7)AUGUSTE DUPLAN MD ADOL PSYCHIATRIST	(i) (ii)	292,669 0	650 0	0 0	5,100 0	4,458 0	302,877 0	0 0
(8)D ROBERT MACKENZIE MD FORMER CEO	(i) (ii)	200,000 0	50,000 0	1,860,554 0	4,000 0	0 0	2,114,554 0	0 0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	PART I, LINE 1A ALL EMPLOYEES ARE ELIGIBLE FOR A HEALTH CLUB MEMBERSHIP SUBSIDY, CAYUGA MEDICAL CENTER WILL REIMBURSE EMPLOYEES 50% OF THE SINGLE MONTHLY MEMBERSHIP FEE WHEN THEY ATTEND THE HEALTH CLUB AT LEAST 24 TIMES A QUARTER IF AN INDIVIDUAL DOES NOT MEET THE CRITERIA, THEY WILL NOT RECEIVE THE SUBSIDY
PART I, LINE 4A	D ROB MACKENZIE RECEIVED A SERP LUMP SUM PAYMENT DURING 2013
PART I, LINE 6	YEAR END BONUS PROGRAM FOR ALL EMPLOYEES WAS BASED ON THE OPERATING MARGIN, PARTICIPATION IN THE ANNUAL SAFETY TRAINING AND REACHING PREDETERMINED CUSTOMER SATISFACTION SCORES

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	TOMPKINS COUNTY AREA DEVELOPMENT INC	16-6058339		10-09-2003	15,000,000	FINANCE CONSTRUCTION & PURCHASE EQUIPMENT		X		X		X
B	TOMPKINS COUNTY DEVELOPMENT CORP	27-2290745	890096AA8	08-31-2010	14,275,000	FINANCE CONSTRUCTION & PURCHASE EQUIPMENT		X		X		X
C	TOMPKINS COUNTY DEVELOPMENT CORP	27-2290745		04-09-2013	25,000,000	FINANCE CONSTRUCTION & PURCHASE EQUIPMENT		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	15,000,000	14,275,000	25,000,000	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	205,375	285,500	613,238	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	269,000	142,750		
10	Capital expenditures from proceeds	14,525,625	13,846,750	24,386,762	
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2003	2010		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 820 %						
6	Total of lines 4 and 5		0 820 %						
7	Does the bond issue meet the private security or payment test?	X		X		X			
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X		X		X			
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X			X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		
b	Name of provider	JP MORGAN		DEUTSCHE BANK					
c	Term of hedge	15 000000000000		12 000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was the hedge terminated?		X		X				

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X				

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total		▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) LARRY BAUM	BOARD CHAIR & CEO OF COMPUTING CENTER	513,045	PAYMENTS TO COMPUTING CENTER FOR SERVICES RENDERED		No
(2) GREGORY HARTZ	BOARD DIRECTOR & PRESIDENT/CEO OF TOMPKINS TRUST COMPANY (TTC)	182,427	PAYMENTS TO TTC FOR BANK FEES		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	CAYUGA MEDICAL CENTER AT ITHACA MAINTAINS A CONFLICT OF INTEREST POLICY WHICH BOARD MEMBER S ARE REQUIRED TO SIGN ANNUALLY THE HOSPITAL REGULARLY AND CONSISTENTLY MONITORS AND ENFO RCES COMPLIANCE WITH THE POLICY BY REVIEWING STATEMENTS ANNUALLY FOR CONFLICTS, IDENTIFY IN G DISQUALIFIED PERSONS, AND RECORDING ALL PROCEEDING RELATED TO A CONFLICT OF INTEREST TRA NSACTION
FORM 990, PART VI, SECTION B, LINE 15	CAYUGA MEDICAL CENTER AT ITHACA DETERMINES COMPENSATION OF THE CEO AND OTHER OFFICERS BY U TILIZING INDEPENDENT COMPENSATION CONSULTANT AND/OR COMPENSATION SURVEYS FORMAL WRITTEN C ONTRACT FOR CEO IS REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECT ORS
FORM 990, PART VI, SECTION C, LINE 19	CAYUGA MEDICAL CENTER AT ITHACA FOLLOWS THE IRS DISCLOSURE REQUIREMENTS AND ALL REQUIRED DOCUMENTS ARE AVAILABLE UPON REQUEST
FORM 990, PART XI, LINE 9	PENSION AND POST RETIREMENT RELATED CHANGES 11,921,977 UNREALIZED GAIN ON INTEREST RATE SWAP 594,354 RESERVE FOR CMA LOAN -8,094,486

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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" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CAYUGA MEDICAL CENTER AT ITHACA

Employer identification number
22-2325405

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

(a) Name, address, and EIN (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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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
(1) CAYUGA MEDICAL OFFICE BUILDING 101 DATES DRIVE ITHACA, NY 14850 16-1261492	BUILDING MANAGEMENT	NY	N/A	RELATED	242,811	995,969		No	918	Yes		58 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TOMPKINS OFFICE MANAGEMENT SYSTEM 101 DATES DRIVE ITHACA, NY 14850 16-1437217	OFFICE MANAGEMENT	NY	CAYUGA MEDICAL CENTER AT ITHACA	C	-122,111	703,743	100 000 %	Yes	
(2) CAYUGA AREA PLAN INC 101 DATES DRIVE ITHACA, NY 14850 16-1298390	HEALTHCARE	NY		C	453,715	524,000	50 000 %		No
(3) CAYUGA AREA PREFERRED INC-(CONSOLIDATED W CAYUGA AREA PLAN) 101 DATES DRIVE ITHACA, NY 14850 16-1542122	HEALTHCARE	NY		C			50 000 %		No
(4) CAP CONNECTLLC 101 DATES DRIVE ITHACA, NY 14850 45-3969273	HEALTHCARE	NY	CAYUGA MEDICAL CENTER AT ITHACA	C		75,141	85 000 %	Yes	

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the 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		No
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		No
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 related 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" on Form 990, Part IV, line 37.

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

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

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

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

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
CAYUGA MEDICAL OFFICE BUILDING ASSOCIATES	L	50,382	CONTRACT
CAYUGA MEDICAL OFFICE BUILDING ASSOCIATES	K	496,582	CONTRACT
TOMPKINS OFFICE MANAGEMENT SYSTEMS INC	A	13,638	CONTRACT
TOMPKINS OFFICE MANAGEMENT SYSTEMS INC	L	50,655	CONTRACT
CAP CONNECT LLC	L	248,911	CONTRACT
CAP CONNECT LLC	J	18,672	CONTRACT
TOMPKINS OFFICE MANAGEMENT SYSTEMS INC	J	6,366	CONTRACT

CAYUGA MEDICAL CENTER AT ITHACA, INC.

Financial Statements
as of December 31, 2013 and 2012
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

May 1, 2014

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

We have audited the accompanying financial statements of Cayuga Medical Center at Ithaca, Inc (a New York not-for-profit Organization) (the Medical Center), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 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 these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Bonadio & Co., LLP

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Pittsford, New York 14534
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CAYUGA MEDICAL CENTER AT ITHACA, INC.

BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 9,915,510	$ 12,683,153
Patient accounts receivable, net	45,358,471	39,410,307
Inventories	7,010,742	6,723,671
Prepaid expenses and other current assets	10,195,840	10,702,778
Total current assets	72,480,563	69,519,909
ASSETS WHOSE USE IS LIMITED	101,008,061	81,630,015
PROPERTY, PLANT AND EQUIPMENT, net	111,331,517	103,237,938
BENEFICIAL INTEREST IN ASSETS OF FOUNDATION	5,580,115	4,549,045
INSURANCE RECEIVABLE	3,244,076	2,305,534
OTHER ASSETS, net of current portion	8,950,509	7,308,715
Total assets	$ 302,594,841	$ 268,551,156
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 3,155,938	$ 2,337,745
Accounts payable	5,090,572	11,366,530
Accrued payroll, taxes and other expenses	12,929,730	11,839,598
Current portion of accrued postretirement cost	205,079	207,795
Current portion of due to third-party payers	4,365,773	3,539,033
Total current liabilities	25,747,092	29,290,701
OTHER LIABILITIES.		
Long-term debt, net of current portion	38,542,570	17,330,000
Fair value of interest rate swaps	697,346	1,291,700
Accrued insurance claims	3,244,076	2,305,534
Accrued pension cost	30,442,158	38,711,742
Accrued postretirement cost, net of current portion	6,112,412	6,327,241
Due to third-party payers, net of current portion	3,660,425	3,660,425
Total other liabilities	82,698,987	69,626,642
Total liabilities	108,446,079	98,917,343
NET ASSETS		
Unrestricted	189,927,037	165,558,404
Temporarily restricted	2,828,190	2,681,874
Permanently restricted	1,393,535	1,393,535
Total net assets	194,148,762	169,633,813
Total liabilities and net assets	$ 302,594,841	$ 268,551,156

The accompanying notes are an integral part of these statements

CAYUGA MEDICAL CENTER AT ITHACA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
REVENUE		
Net patient service revenue	$ 173,950,136	$ 166,573,140
Provision for bad debts	(6,778,247)	(4,989,363)
Net patient service revenue, less provision for bad debts	167,171,889	161,583,777
Other operating revenue	5,743,934	3,419,635
Net assets released from restrictions used for operations	399,250	211,307
Total revenue	173,315,073	165,214,719
OPERATING EXPENSES		
Salaries and wages	63,114,238	60,307,918
Employee benefits	25,375,669	22,343,718
Supplies and other expenses	35,367,595	35,465,749
Professional expenses	10,710,882	9,519,786
Contracted services	11,502,498	11,934,902
Fixed expenses (occupancy)	6,221,006	5,890,025
Other direct expenses	3,683,229	3,764,025
Depreciation and amortization	12,694,046	10,381,750
Interest	1,153,832	745,504
NYS cash receipts assessment	682,565	647,361
Total operating expenses	170,505,560	161,000,738
Net income from operations	2,809,513	4,213,981
INTEREST AND DIVIDEND INCOME, net of fees	2,652,532	3,199,030
REALIZED GAIN ON INVESTMENTS, net	5,074,682	5,126,894
Excess of revenue over expenses	10,536,727	12,539,905
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Unrealized gain (loss) on investments	8,471,048	4,044,071
Unrealized gain (loss) on interest rate swaps	594,354	74,361
Pension and postretirement related changes other than net periodic benefit cost	11,921,977	(5,749,020)
Transfers to related parties	(8,094,486)	(9,276,211)
Other	939,013	1,153,628
Total other changes in unrestricted net assets	13,831,906	(9,753,171)
Increase (decrease) in unrestricted net assets	24,368,633	2,786,734
TEMPORARILY RESTRICTED NET ASSETS		
Investment income, net of fees	260,036	120,664
Donations and bequests	285,530	338,453
Net assets released from restrictions	(399,250)	(211,307)
Increase in temporarily restricted net assets	146,316	247,810
CHANGES IN NET ASSETS	24,514,949	3,034,544
NET ASSETS - beginning of year	169,633,813	166,599,269
NET ASSETS - end of year	$ 194,148,762	$ 169,633,813

The accompanying notes are an integral part of these statements

CAYUGA MEDICAL CENTER AT ITHACA, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Changes in net assets	$ 24,514,949	$ 3,034,544
Adjustments to reconcile changes in net assets to net cash flow from operating activities		
(Gain) loss on investments, net	(13,545,730)	(9,170,965)
(Gain) loss on sale of property, plant and equipment	106,435	121,152
Pension and postretirement related changes other than net periodic benefit cost	(11,921,977)	5,749,020
Change in fair value of interest rate swap	(594,354)	(74,361)
Restricted contributions for capital purchases	(285,530)	(338,453)
Depreciation and amortization	12,694,046	10,381,750
Provision for doubtful accounts	6,778,247	4,989,363
Transfers to related parties	8,094,486	9,276,211
Write-offs of physician advances	(212,135)	400,380
Physician advances	112,052	-
Net (gain) loss on investments in related parties	(789,743)	(108,061)
Loan receivable from related party	(250,000)	-
Changes in		
Patient accounts receivable	(12,726,411)	(17,376,700)
Inventories	(287,071)	(1,767,801)
Prepaid expenses and other assets	506,938	(5,323,186)
(Increase) decrease in beneficial interest in assets of Foundation	(1,031,070)	(273,735)
Accounts payable	(6,991,832)	2,199,917
Accrued expenses	1,090,132	870,514
Accrued postretirement cost	11,704,432	(4,717,014)
Accrued pension cost	(8,269,584)	4,830,627
Due to/from third-party payers	826,740	(3,035,654)
Net cash flow from operating activities	9,523,020	(332,452)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(20,066,916)	(20,335,569)
Contributions from assets whose use is limited to operations	39,608,406	41,548,123
Contributions from operations to assets whose use is limited	(43,749,602)	-
Change in assets whose use is limited, net	(1,691,120)	(2,474,404)
Contribution of equity to CAP Connect	-	(552,036)
Net cash flow from investing activities	(25,899,232)	18,186,114
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment on long-term debt	(2,969,237)	(3,115,033)
Bond proceeds	25,000,000	-
Bond issue costs	(613,238)	-
Transfers to related parties	(8,094,486)	(9,276,211)
Restricted contributions for capital purchases	285,530	338,453
Net cash flow from financing activities	13,608,569	(12,052,791)
CHANGE IN CASH AND CASH EQUIVALENTS	(2,767,643)	5,800,871
CASH AND CASH EQUIVALENTS - beginning of year	12,683,153	6,882,282
CASH AND CASH EQUIVALENTS - end of year	$ 9,915,510	$ 12,683,153
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 1,103,323	$ 758,617
Construction in process included in accounts payable	$ 2,455,534	$ 1,739,660

The accompanying notes are an integral part of these statements

1. THE ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting

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

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

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

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

Endowment Funds

The Medical Center's endowment consists of individual donor-restricted funds, the earnings on which are used for a variety of purposes The endowment funds totaled $326,238 and $427,881 at December 31, 2013 and 2012, respectively, and are included in the accompanying balance sheets as Assets Whose Use is Limited

Interpretation of Relevant Law

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Performance Indicator

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

Net Patient Service Revenue and Patient Accounts Receivable

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

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

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

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

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

An allowance for doubtful accounts receivable is estimated by management based on periodic reviews of the collectability of accounts receivable considering historical collection experience, national experience, and prevailing economic conditions In evaluating the collectability of accounts receivable, the Medical Center analyzed its past history and identified 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 reviewed 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 had third-party coverage, the Medical Center analyzed amounts due contractually and provided an allowance for doubtful accounts and provision for bad debt, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor had not yet paid, or for payors who were known to be having financial difficulties that made the realization of amounts due unlikely)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Patient Service Revenue and Patient Accounts Receivable (Continued)
The Medical Center has not changed its charity care or uninsured discount policies during fiscal years 2013 to 2012 The Medical Center did not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors

During 2013 and 2012, for uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided The Medical Center records a provision for bad debts related to uninsured patients in the period the service was provided Patient service revenue, net of contractual allowances and discounts (but before provision for bad debts), recognized from major payor sources, is as follows for the year ended December 31, 2013

	Third-party Payors	Self-pay	Total
Patient service revenues (net of contractual allowances and discounts)	$ 168,355,489	$ 5,594,647	$ 173,950,136

Patient service revenue, net of contractual allowances and discounts (but before provision for bad debts), recognized from major payor sources, is as follows for the year ended December 31, 2012

	Third-party Payors	Self-pay	Total
Patient service revenues (net of contractual allowances and discounts)	$ 163,279,841	$ 3,292,299	$ 166,572,140

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

	2013	2012
Patient receivables, net of contractual adjustments	$ 50,353,592	$ 44,329,398
Reserve for doubtful accounts	(4,995,121)	(4,919,091)
	$ 45,358,471	$ 39,410,307

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

	2013	2012
Medicare	20%	30%
Medicaid	10%	11%
Commercial	65%	49%
Other third-party payors	4%	5%
Self-pay	1%	5%
	100%	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adjustment of Prior Years' Revenue and Expense

During 2013 and 2012, the Medical Center recognized approximately ($118,200) and $176,400, respectively, of net patient service revenue as a result of changes in estimates related to third-party settlements These amounts are included in net patient service revenue in the accompanying statements of activities and changes in net assets

Other Operating Revenue

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

Cash and Cash Equivalents

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

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

Inventories

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

The Medical Center also maintains inventory that is on consignment These items are not reported on the balance sheet and are expensed when used

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid maintenance contracts, prepaid dues and subscriptions, workers' compensation and health insurance deposits, and various other related party receivables

Insurance Receivable

Amounts included in insurance receivable are related to payments expected to be made by the Medical Center's malpractice insurance to settle lawsuits There is a corresponding liability, accrued insurance claims, which accrues for the settlement payment

Intangible Assets

In March 2011, the Medical Center purchased the equipment, supplies, contracts, intellectual property, and patient lists and medical records, free of liability, of the Ithaca Medical Group, LLC (the Practice) located in Ithaca, New York The Medical Center determined the purchase of the Practice will assure the availability of quality affordable oncology services by integrating the Practice with its other oncology services. The Medical Center paid approximately $1,900,000 for the Practice The Medical Center recognized an intangible asset representing goodwill of approximately $1,500,000 The Medical Center evaluated the intangible asset as of December 31, 2013 and determined no impairment was required to be recognized during 2013 The Medical Center includes this intangible asset in Other Assets in the accompanying balance sheet

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Investment income or loss, unless the income or loss is restricted by donor or law, is included in unrestricted non-operating income, as none of the investments are classified as trading securities When the market value of a security has declined below cost and the decline is deemed to be other-than-temporary, the asset is considered impaired and the loss is recognized as an operating expense

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

Fair Value Measurement - Definition and Hierarchy
Accounting Standards Codification (ASC) Section 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Medical Center uses various valuation techniques in determining fair value ASC Section 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows

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

  The Medical Center's marketable equity securities, mutual funds, and U S. Treasury and municipal bond obligations are valued utilizing quoted market prices

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

  The Medical Center's corporate obligations, government agency obligations, and interest rate swap contracts are valued utilizing Level 2 inputs

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - Definition and Hierarchy (Continued)

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

  In 2013, the Medical Center did not have any assets or liabilities that were valued using Level 3 inputs

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

Fair value of the Medical Center's corporate bonds and government agency obligations is determined by entering standard inputs into a pricing model These inputs may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data and industry and economic events The custodian of Medical Center's corporate bonds relies on an independent pricing service to perform the pricing calculations

The fair value of the interest rate swap agreement is based on a pricing model that utilizes the following inputs. swap spreads, LIBOR rates, treasury rates, and numerous mathematical adjustments.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, or if donated, at the fair value of the asset at the date of donation, less accumulated depreciation The Medical Center capitalizes assets that have a cost in excess of $5,000 and an estimated useful life greater than one year Depreciation is provided over the assets' estimated useful lives using the straight-line method as follows.

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

Maintenance and repairs are expensed as incurred Interest is capitalized during periods of construction on significant projects when there is related debt No interest was capitalized in 2013 or 2012

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The cost of providing charity care services and supplies furnished under the Medical Center's charity care policy aggregated approximately $152,000 and $268,000 in 2013 and 2012, respectively The Medical Center utilizes a cost accounting system to identify the cost of services and supplies provided to patients receiving financial assistance, which includes charity care The Medical Center uses an estimation technique to identify costs provided to charity care patients by calculating a ratio of gross charges provided to charity care patients as a percentage of gross charges of services provided to financial assistance patients and then multiplying the resulting percentage by costs identified in the cost accounting system

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

As of December 31, 2013 and 2012, the Medical Center did not have a liability for unrecognized tax benefits The Medical Center files income tax returns in the U S federal jurisdiction and New York State The Medical Center is no longer subject to U.S federal and state income tax examinations by tax authorities for years before 2010

Advertising Costs
Advertising costs are charged to expense as incurred Amounts incurred for advertising during the years ended December 31, 2013 and 2012 were $1,068,014 and $570,084, respectively

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

Reclassifications
Certain reclassifications have been made to the 2012 financial statements to conform to the current year presentation

3. ASSETS WHOSE USE IS LIMITED

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

	2013		2012	
	Cost	Market	Cost	Market
Cash and cash equivalents	$ 2,494,604	$ 2,494,604	$ 2,861,077	$ 2,861,077
Marketable equity securities	4,263,084	5,346,128	3,632,462	4,035,014
Mutual funds	53,111,551	65,326,454	45,964,717	50,088,492
Government and agency bonds	12,066,806	11,953,190	6,175,515	6,284,268
Corporate obligations	15,661,054	15,887,685	17,383,373	18,361,164
	$ 87,597,099	$101,008,061	$ 76,017,144	$81,630,015

Medical Center's return on assets whose use is limited for the years ended December 31, 2013 and 2012 was as follows

	2013	2012
Interest and dividend income	$ 2,834,909	$ 3,459,550
Realized gains	5,074,682	5,126,894
Net unrealized gain on investments	8,471,048	4,044,071
Investment management fees	(182,377)	(260,520)
Total unrestricted investment income	16,198,262	12,369,995
Temporarily restricted investment income	22,907	30,465
Net realized gain on restricted investments	34,861	38,252
Net unrealized gain on restricted investments	202,268	51,947
Total return on investments	$ 16,458,298	$ 12,490,659

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

The Medical Center evaluated its assets whose use is limited at the investment security level for impairment For investments in an unrealized loss position relative to original cost, the Medical Center assesses whether the investment is other-than-temporarily impaired No impairments were recognized during 2013 and 2012

3. ASSETS WHOSE USE IS LIMITED (Continued)

The portion of the Medical Center's investments in an unrealized loss position relative to original cost, for which other-than-temporary impairments have not been recognized, categorized by the length of time that the investment has been in a loss position as of December 31, 2013, are as follows

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 405,146	$ 19,498	$ 29,902	$ 1,935	$ 435,048	$ 21,433
Corporate obligations	6,077,227	212,702	1,525,281	79,385	7,602,508	292,087
Mutual funds	8,249,390	76,024	-	-	8,249,390	76,024
Municipal bonds and notes	195,847	8,458	-	-	195,847	8,458
Government agency obligations	3,356,180	121,168	-	-	3,356,180	121,168
U S treasury obligations	1,805,948	35,471	-	-	1,805,948	35,471
	$20,089,738	$ 473,321	$ 1,555,183	$ 81,320	$ 21,644,921	$ 554,641

The portion of the Medical Center's investments in an unrealized loss position relative to original cost, for which other-than-temporary impairments have not been recognized, categorized by the length of time that the investment has been in a loss position as of December 31, 2012, are as follows.

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 455,972	$ 23,889	$ 500,584	$ 30,977	$ 956,556	$ 54,866
Corporate obligations	2,276,298	21,874	995,226	22,571	3,271,524	44,445
Mutual funds	10,240,736	662,333	-	-	10,240,736	662,333
U S treasury obligations	50,360	13	-	-	50,360	13
	$13,023,366	$ 708,109	$ 1,495,810	$ 53,548	$ 14,519,176	$ 761,657

The unrealized losses on the Medical Center's investments were caused by market volatility Based on the Medical Center's analysis of impairment and the Medical Center's ability and intent to hold these investments until a recovery of fair value, the Medical Center did not consider these investments to be other-than-temporarily impaired at December 31, 2013 and 2012

4. ENDOWMENT

Changes in Endowment Funds

	Permanently Restricted Net Assets
Balance at January 01, 2012	$ 1,393,535
Contributions	-
Releases	-
Investment income	-
Balance at December 31, 2012	1,393,535
Contributions	-
Releases	-
Investment income	-
Balance at December 31, 2013	$ 1,393,535

Return Objectives

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

Spending Policy

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

5. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at December 31, 2013

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and cash equivalents	$ 2,494,604	$ -	$ -	$ 2,494,604
Fixed income securities				
U S treasury obligations	1,953,834	-	-	1,953,834
Gov agency obligations	-	9,702,581	-	9,702,581
Municipal bond obligations	296,775	-	-	296,775
Corporate obligations	-	15,887,685	-	15,887,685
Mutual funds:				
Fixed income	8,249,390	-	-	8,249,390
Foreign	9,957,984	-	-	9,957,984
Small cap	9,346,775	-	-	9,346,775
Mid cap	6,755,309	-	-	6,755,309
Large cap	31,016,996	-	-	31,016,996
Marketable equities				
Domestic	4,969,651	-	-	4,969,651
Foreign	376,477	-	-	376,477
Total investments	$ 75,417,795	$ 25,590,266	$ -	$ 101,008,061
Interest rate swap contracts	$ -	$ (697,346)	$ -	$ (697,346)

Assets and liabilities not measured at fair value, but for which fair value is disclosed are as follows at December 31, 2013

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Long-term debt	$ -	$ 41,698,508	$ -	$ 41,698,508

The following are measured at fair value on a recurring basis at December 31, 2012

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and cash equivalents	$ 2,861,077	$ -	$ -	$ 2,861,077
Fixed income securities				
U S treasury obligations	1,889,013	-	-	1,889,013
Gov agency obligations	-	4,243,762	-	4,243,762
Municipal bond obligations	151,493	-	-	151,493
Corporate obligations	-	18,361,164	-	18,361,164
Mutual funds:				
Foreign	9,657,753	-	-	9,657,753
Small cap	7,690,277	-	-	7,690,277
Mid cap	4,847,237	-	-	4,847,237
Large cap	27,893,225	-	-	27,893,225
Marketable equities				
Domestic	3,762,340	-	-	3,762,340
Foreign and preferred	272,674	-	-	272,674
Total investments	$ 59,025,089	$ 22,604,926	$ -	$ 81,630,015
Interest rate swap contracts	$ -	$ (1,291,700)	$ -	$ (1,291,700)

5. FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities not measured at fair value, but for which fair value is disclosed are as follows at December 31, 2012

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Long-term debt	$ -	$ 19,667,745	$ -	$ 19,667,745

The fair value of outstanding debt at December 31, 2013 and 2012 approximates the recorded book value The fair value of debt was estimated using current borrowing rates for similar types of investments

6. PROPERTY, PLANT AND EQUIPMENT

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

	2013	2012
Land and land improvements	$ 7,034,749	$ 7,013,576
Buildings and building improvements	76,117,907	75,867,907
Building fixtures and equipment	31,470,747	24,127,439
Moveable equipment	79,599,873	73,435,624
Construction-in-progress	18,452,146	12,254,253
	212,675,422	192,698,799
Less Accumulated depreciation	(101,343,905)	(89,460,861)
	$ 111,331,517	$ 103,237,938

The estimated costs to complete the construction-in-progress were approximately $21,696,000 and $32,648,000 at December 31, 2013 and 2012, respectively

Property, plant and equipment included equipment acquired under capital lease obligations with a cost of $5,111,992 Accumulated amortization of these assets was $5,111,992 and $4,600,793 at December 31, 2013 and 2012, respectively

Approximately $9,914,000 and $23,145,000 of construction in progress projects were completed during 2013 and 2012, respectively, and transferred to the appropriate property, plant and equipment categories shown above

7. COMMITMENTS

The Medical Center leases certain properties and equipment under non-cancelable operating leases expiring at various dates through 2027

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

2014	$ 1,340,998
2015	1,286,361
2016	950,931
2017	787,391
2018	537,556
Thereafter	1,181,970
	$ 6,085,207

Rental expense for all operating leases was approximately $1,340,000 and $1,822,000 for the years ended December 31, 2013 and 2012, respectively

County Employee Retiree Health Benefit
The Medical Center is obligated to pay for health insurance premiums for retired employees of the County Hospital facility that was privatized to form the Medical Center in 1981 The accompanying balance sheets reflect a liability of approximately $700,000 for 2013 and 2012, which represents an estimate of the future obligation of the Medical Center under this commitment Total payments during 2013 and 2012 related to retired employees amounted to approximately $35,000 and $45,000, respectively

8. LONG-TERM DEBT

IDA Bond
In October 2003, the Medical Center entered into a lease agreement with Tompkins County Industrial Development Agency (IDA) whereby the Medical Center leased certain assets through IDA In turn, IDA issued a series of Variable Rate Demand Civic Facility Revenue bonds totaling $15 million in the aggregate, which were purchased by JP Morgan Chase Bank Principal is paid annually until maturity in October 2018 Interest on the bonds is based on the Bond Market Association Index (BMA), 0 06% and 0 13% at December 31, 2013 and 2012, respectively, plus 35 basis points The obligation is collateralized by the related equipment The amount outstanding under this bond was $6,100,000 and $7,200,000 at December 31, 2013 and 2012, respectively

Development Corporation Bond
In August 2010, the Medical Center entered into an agreement with Tompkins County Development Corporation (Development Corporation) and Bank of America, N A (the Bank) whereby the Bank provided the proceeds of a Tax Exempt Revenue Bond issue in the aggregate principal amount of $14 275 million to the Development Corporation The proceeds from the bond issue were distributed to the Medical Center to finance certain construction projects and to purchase equipment Principal is paid annually until maturity in August 2022 Annual interest on the bond is a rate equal to 64 1% of LIBOR with a designated maturity of one month (0 17% and 0 21% at December 31, 2013 and 2012, respectively) plus 1 04% The interest rate at December 31, 2013 and 2012 was approximately 1 21% and 1 25%, respectively The obligation is collateralized by the related buildings and equipment The amount outstanding under this bond was $11,230,000 and $12,280,000 at December 31, 2013 and 2012, respectively.

8. LONG-TERM DEBT (Continued)

Development Corporation Bond (Continued)
In April 2013, the Medical Center entered into a bond purchase agreement with the Development Corporation and Tompkins Trust Company (the Holder) whereby the Holder purchased Tax Exempt Revenue Bond issue in the aggregate principal amount of $25 million from the Development Corporation The proceeds from the bond issue were then made available to the Medical Center to cover construction costs already incurred Principal and interest payments of $135,288 are to be paid monthly until April 2023, at which time the remaining balance is due Annual interest is fixed at a rate of 2 69% The amount outstanding under this bond was $24,368,484 at December 31, 2013

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

The following represents future maturities of long-term debt at December 31, 2013

	Long-Term Debt
2014	$ 3,155,938
2015	3,322,752
2016	3,383,612
2017	3,553,576
2018	3,627,673
Thereafter	24,654,957
	41,698,508
Less Current portion	(3,155,938)
	$ 38,542,570

The IDA and Development Corporation bonds contain certain covenants with which the Medical Center has agreed to comply. At December 31, 2013 and 2012, the Medical Center was in compliance with these covenants

Debt Acquisition Costs
During 2013, $613,238 of bond costs were capitalized as a result of the 2013 Development Corporation bond issuance Total capitalized debt acquisition cost were $1,554,643 and $941,405 as of December 31, 2013 and 2012, respectively The related accumulated amortization on the deferred financing costs was $495,264 and $383,994 at December 31, 2013 and 2012, respectively These amounts are included in other assets in the accompanying balance sheets The amortization expense for the years ended December 31, 2013 and 2012 was approximately $111,000 and $70,000, respectively Amortization of debt acquisition costs will be approximately $131,500 for the next four years and drop to approximately $126,000 in the fifth year

9. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Interest Rate Swap Contracts

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

The change in the fair value of the swaps for the Medical Center was an unrealized gain of $594,354 and $74,361, and is recorded as an increase in net assets in the accompanying statements of activities in 2013 and 2012, respectively For the Medical Center, gains and losses will never be realized as long as the underlying payments are made in accordance with the terms of the existing debt agreements and the swap contracts remain in place until maturity

At December 31, 2013 and 2012, the fair values of the swaps as follows

Derivative Instruments Designated as Hedging Instruments	Balance Sheet Account	2013	2012
Interest rate swap contract			
IDA	Interest rate swap liability	$ 411,933	$ 683,560
Development Corp	Interest rate swap liability	285,413	608,140
Total derivatives		$ 697,346	$ 1,291,700

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

Derivatives in Fair Value Hedging Relationships	Location of Gain (Loss) Recognized in Statement of Activities	Amount of Gain (Loss) Recognized in Statement of Activities	
Interest rate swap contract		2013	2012
IDA	Unrealized gain on interest rate swaps	$ 271,627	$ 126,387
Development Corp	Unrealized gain (loss) on interest rate swaps	322,727	(52,026)
Total		$ 594,354	$ 74,361

10. BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

The Foundation is a not-for-profit corporation that solicits gifts and donations on behalf of the Medical Center and others The Foundation has discretionary control over the amounts and timing of any distribution of funds At December 31, 2013 and 2012, the Foundation had net assets of approximately $5 6 million and $4 5 million, respectively, of which approximately $1 0 million represents permanently restricted endowment funds The carrying value of the interest reported in the balance sheets approximates fair value. The Foundation reimburses the Medical Center for certain administrative, contracted, and fundraising services, which was approximately $237,000 and $189,000 in 2013 and 2012, respectively

11. PENSION AND POSTRETIREMENT BENEFITS

Description of Plan

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

Obligations and Funded Status

The following tables set forth the plans' funded status and amounts recognized in the Medical Center's financial statements at December 31, 2013 and 2012

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Balance, beginning of year	$ 107,115,984	$ 92,591,051	$ 6,535,036	$ 5,503,030
Service cost	4,552,173	3,681,935	319,206	278,005
Interest cost	4,849,598	4,549,549	274,894	267,980
Contributions by participants	-	-	426,362	440,448
Actuarial loss	(1,311,654)	9,712,524	(725,240)	529,536
Benefits paid to participants	(3,567,903)	(3,419,075)	(512,767)	(483,963)
Balance, end of year	$ 111,638,198	$ 107,115,984	$ 6,317,491	$ 6,535,036
Change in plan assets				
Fair value, beginning of year	$ 69,029,242	$ 59,109,936	$ -	$ -
Actual return on plan assets	12,582,790	7,538,381	-	-
Employer contribution	5,000,000	5,800,000	86,405	43,515
Contributions by participants	-	-	426,362	440,448
Benefits paid to participants	(3,567,903)	(3,419,075)	(512,767)	(483,963)
Fair value, end of year	$ 83,044,129	$ 69,029,242	$ -	$ -

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Obligations and Funded Status (Continued)

The funded status of the plans was as follows at December 31, 2013 and 2012

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Fair value of plan assets	$ 83,044,129	$ 69,029,242	$ -	$ -
Benefit obligation	111,638,198	107,115,984	6,317,491	6,535,036
Funded status	$(28,594,069)	$(38,086,742)	$ (6,317,491)	$ (6,535,036)

As of December 31, 2013 and 2012, and for the years then ended, the following amounts were recognized in the balance sheets and statements of activities and changes in net assets

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Current liabilities	$ -	$ -	$ 205,079	$ 207,795
Noncurrent liabilities	$ 28,594,069	$ 38,086,742	$ 6,112,412	$ 6,327,241
Net actuarial loss (gain)	$ 32,696,784	$ 43,817,540	$ (317,192)	$ 408,048
Prior service cost	227,937	303,917	-	-
Total amounts recognized	$ 32,924,721	$ 44,121,457	$ (317,192)	$ 408,048

As of December 2013 and 2012, an additional $1,848,089 and $625,000, respectively, is recorded in accrued pension costs on the balance sheets These amounts relate to the Medical Center's liability for the supplemental employee retirement plan

The following aggregate information relates to the defined benefit pension plan at December 31, 2013 and 2012.

	2013	2012
Projected benefit obligation	$ 111,638,198	$ 107,115,984
Accumulated benefit obligation	$ 97,041,401	$ 92,805,827
Fair value of plan assets	$ 83,044,129	$ 69,029,242

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Obligations and Funded Status (Continued)
Components of net periodic benefit costs of the plans are comprised of the following for the year ended December 31, 2013 and 2012

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Service cost	$ 4,552,173	$ 3,681,935	$ 319,206	$ 278,005
Interest cost	4,849,598	4,549,549	274,894	267,980
Expected return on plan assets	(5,568,551)	(5,152,191)	-	-
Amortization of prior service cost	75,980	75,980	-	-
Amortization of net (gain) loss	2,794,863	2,030,871	-	-
Net periodic benefit cost	$ 6,704,063	$ 5,186,144	$ 594,100	$ 545,985

The estimated net loss and prior service cost related to pension benefits that will be amortized into net periodic benefit cost in December 2014 is $2,294,000

Fair Value Measurements
The following pension assets are measured at fair value on a recurring basis at December 31, 2013

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash equivalents				
Money market	$ 1,257,267	$ -	$ -	$ 1,257,267
Fixed income securities				
U S treasury obligations	1,353,290	-	-	1,353,290
Gov agency obligations	-	6,263,894	-	6,263,894
Corporate obligations	-	11,490,259	-	11,490,259
Mutual funds				
Foreign	8,727,453	-	-	8,727,453
Small cap	12,789,218	-	-	12,789,218
Large cap	36,139,297	-	-	36,139,297
Equities				
Domestic	4,642,670	-	-	4,642,670
Foreign	380,781	-	-	380,781
Total	$ 65,289,976	$ 17,754,153	$ -	$ 83,044,129

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Fair Value Measurements (Continued)
The following pension assets are measured at fair value on a recurring basis at December 31, 2012

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash equivalents				
Money market	$ 769,198	$ -	$ -	$ 769,198
Fixed income securities				
U S treasury obligations	1,785,358	-	-	1,785,358
Gov agency obligations	-	3,926,707	-	3,926,707
Corporate obligations	-	12,601,907	-	12,601,907
Mutual funds				
Foreign	7,221,770	-	-	7,221,770
Small cap	9,471,172	-	-	9,471,172
Large cap	29,606,912	-	-	29,606,912
Equities				
Domestic	3,411,349	-	-	3,411,349
Foreign and preferred	234,869	-	-	234,869
Total	$ 52,500,628	$ 16,528,614	$ -	$ 69,029,242

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

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Discount rate	5 0%	4 6%	5 0%	4 6%
Rate of compensation increase	3 75%	3 75%	N/A	N/A

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

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Discount rate	4 6%	5 0%	4 6%	5 0%
Long-term rate of expected return on plan assets	8 0%	8 0%	N/A	N/A
Rate of compensation increase	3 75%	3 75%	N/A	N/A

11. PENSION AND POSTRETIREMENT BENEFITS (Continued)

Assumptions (Continued)

The expected long-term rate of return on the pension plan's assets is based on historical and projected rates of return for current and planned asset categories in the pension plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets The target allocation percentages are expected to remain the same in 2014

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

In 2013 and 2012, the actuarial assumptions regarding mortality rates were based on the 2014 and 2013, respectively, PPA annuitant and non-annuitant tables for males and females

Plan Assets

The Medical Center's pension plan weighted average asset allocations and respective targets at December 31, 2013 and 2012, by asset category were as follows

	2013		2012	
	Allocation	Target	Allocation	Target
Asset Category				
Equity securities	74%	59%	72%	59%
Debt securities	23%	38%	26%	38%
Other	3%	3%	2%	3%

Cash Flows

The Medical Center expects to contribute $5,000,000 to its pension plan and $205,079 to its postretirement plan in 2014 Benefits expected to be paid by the plans during the ensuing five years and thereafter are as follows.

Year Beginning	Pension Benefits	Other Benefits
2013	$ 3,641,331	$ 205,079
2014	$ 3,799,613	$ 233,446
2015	$ 4,011,947	$ 263,896
2016	$ 4,425,238	$ 296,502
2017	$ 4,785,222	$ 327,286
Succeeding five years	$ 32,877,116	$ 2,116,606

Measurement Dates

The measurement date for the year-end benefit obligation and assets for the plan was December 31, 2013 and 2012

Plan Objectives

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

12. RELATED PARTY TRANSACTIONS

Tompkins Office Management Systems, Inc.
The Medical Center's investment in Tompkins Office Management Systems, Inc (TOMS), an unconsolidated, wholly-owned for-profit subsidiary that is accounted for under the equity method, is approximately $574,000 and $660,000 at December 31, 2013 and 2012, respectively

During 2005, TOMS acquired a 70% interest in Island Health & Fitness LLC (IH&F) IH&F operates a health and fitness facility IH&F has entered into an operating lease agreement with an unrelated third-party for the facility The lease has a fifteen-year term, commencing January 1, 2006 and ending December 31, 2020 and the monthly payments amount to approximately $52,000 The Medical Center has guaranteed 70% payment on the operating lease The Medical Center provides TOMS with management services that approximated $51,000 and $48,000 in 2013 and 2012, respectively

Cayuga Medical Office Building, L.P.
TOMS is also a 10% general partner of Cayuga Medical Office Building L P d/b/a Cayuga Medical Office Building Associates (CMOBA) CMOBA operates a medical office building on land that is adjacent to and owned by the Medical Center The land is leased by the Medical Center to CMOBA The Medical Center rents office space from CMOBA Rental expense approximated $497,000 and 483,000 in 2013 and 2012, respectively Additionally CMOBA shares costs with the Medical Center, which totaled approximately $117,000 and $139,000 during 2013 and 2012, respectively TOMS' investment in CMOBA is adjusted for its 10% interest in the partnership

The Medical Center had a 58% limited partnership interest in CMOBA at December 31, 2013 and 2012 This investment is accounted for under the cost method, and the carrying value is approximately $2,591,000 and $2,425,000 as of December 31, 2013 and 2012, respectively The investment in CMOBA, if recorded based on the underlying equity of book value (including the building recorded at 20% of original cost as of December 31, 2013 and 2012) would be $934,000 and $766,000 as of December 31, 2013 and 2012, respectively

TOMS and CMOBA have not been consolidated in the Medical Center's financial statements The Medical Center's investments in TOMS and CMOBA are included in other assets in the accompanying balance sheets

Cayuga Area Plan, Inc. and Cayuga Area Preferred, Inc.
The Medical Center has a 50% ownership in both Cayuga Area Plan, Inc and Cayuga Area Preferred, Inc (CAP) CAP are for-profit, taxable corporations organized to arrange for the delivery of health care services to enrolled members of a health plan and an indemnity or self-insured health plan The Medical Center's investment in CAP, which is accounted for under the equity method, was approximately $524,000 and $70,000 at December 31, 2013 and 2012, respectively The Medical Center provided certain management and other services that approximated $105,000 and $102,000 in 2013 and 2012, respectively

Cayuga Medical Associates, P.C.
In 2013 and 2012, the Medical Center transferred funds amounting to $8,094,486 and $9,276,211, respectively, to Cayuga Medical Associates, P C (CMA) CMA is a not-for-profit organization organized to operate several medical practice specialties in the Medical Center's service area CMA and the Medical Center are related through common board membership The amounts transferred are included in the accompanying financial statements as transfers to related parties

12. RELATED PARTY TRANSACTIONS (Continued)

CAP Connect, LLC

In October 2011, CAP Connect was formed to support the members' clinical integration program The Medical Center has an 85% ownership in CAP Connect with the remaining 15% owned by Cayuga Area Physicians Alliance (CAPa) The Medical Center's investment in CAP Connect, which is accounted for under the equity method, was approximately $569,000 and $552,000 at December 31, 2013 and 2012, respectively During 2012, the Medical Center contributed equity totaling $552,036

13. INSURANCE

Medical Malpractice

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

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

Health

The Medical Center provides health insurance coverage through Excellus Health Plan, Inc A Single Plan was offered during 2013 The Plan is a Blue PPO Plan with a 3-Tier Benefit Structure

The plan was funded through an Administrative Services Contract (ASC) with Excellus Under the ASC arrangement the Medical Center pays a per member per month administrative fee The Medical Center advanced $506,800 to BC/BS to pay claims during 2013, which was recorded as a prepaid expense

CMC had an Irrevocable Letter of Credit with Tompkins Trust Company in the amount of $1,173,800 which expired at 12/30/2012 Effective 12/31/2012, the Medical Center is required to maintain a restricted deposit account For calendar year 2013, a balance of $1,314,300 was maintained in this account, which is included in other current assets For calendar year 2014, a balance of $1,339,300 is required to be maintained in this account

Workers' Compensation

The Medical Center is self-insured for workers' compensation Effective 4/30/13 EBS-RMSCO resigned as Claims Administrator as a consequence of their decision to exit the business of Workers' Compensation Claims Administration Effective 5/1/13 claims are administered by NCA Comp Inc and NCA Comp Inc performs a reserve analysis on a claim-by-claim basis All historical claims data was transferred from EBS-RMSCO to NCA Comp Inc shortly after the effective date of transition. Effective 2/01/2008, the Medical Center began participating in UHS' Workers' Compensation PPO, which provides case management services on all claims incurred after 2/01/2008 In addition, the Medical Center engages SG Risk, Actuaries & Consultants to perform an Unpaid Claim Estimate Analysis as of October 31st each year for the purpose of establishing Workers' Compensation Reserves at December 31st

13. INSURANCE (Continued)

Workers' Compensation (Continued)
CMC had an Irrevocable Letter of Credit with Key Bank of New York that was required by the State of New York Workers' Compensation Board The Letter of Credit was renewed through 12/30/2012 in the amount of $3,567,701 Effective 12/31/2012, the method of providing security to the Workers' Compensation Board was revised and a security deposit to the Workers' Compensation Board is now required A deposit in the amount of $3,567,701, has been made and is recorded in other current assets in the balance sheet

Excess Worker's Compensation coverage is with Star Insurance Co Coverage limits are $1,000,000 per accident or employee disease, with a cash flow limit of $175,000, which begins paying once the first $175,000 is paid towards self-insured retention Effective 10/1/13, excess Workers' Compensation coverage was moved to State National Ins Co , where the coverage limit of $1,000,000, self-insured retention of $450,000 and policy cash flow of $175,000 are unchanged from the policy being replaced

14. CONTINGENCIES

Governmental Payors
The U.S healthcare industry, and hospitals in particular, have become the subject of increased scrutiny by both federal and state governmental payors with respect to reimbursements providers have received for service provision Specific areas for review by the governmental payors and their investigative personnel include appropriate billing practices, reimbursement maximization strategies, technical regulation compliance, etc The stated purpose for these reviews is to recover reimbursements that the payors believe may have been inappropriate

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

Litigation
The Medical Center is a defendant in various litigation matters In the opinion of management, the Medical Center has adequate insurance or has recorded sufficient liabilities for these items and the settlement of these suits will not have a material adverse effect on the Medical Center's financial position

15. FUNCTIONAL EXPENSES

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

	2013	2012
Program	$ 129,474,297	$ 123,004,076
General and administrative	41,031,263	37,996,662
	$ 170,505,560	$ 161,000,738

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 1, 2014, which is the date the financial statements were issued