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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

Memorial Sloan-Kettering Cancer Center

Doing Business As

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

1275 York Avenue Suite

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

New York, NY 10065

F Name and address of principal officer

CRAIG B THOMPSON MD

1275 York Avenue

New York, NY 10065

D Employer identification number

91-2154267

E Telephone number

(646) 227-3092

G Gross receipts \$ 4,014,831,094

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

3475

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.mskcc.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

M State of legal domicile

Part I	Summary
Activities & Governance	1 Briefly describe the organization's mission or most significant activities LEADERSHIP IN THE PREVENTION, TREATMENT, AND CURE OF CANCER THROUGH EXCELLENCE, VISION , AND COST EFFECTIVENESS IN PATIENT CARE, OUTREACH PROGRAMS, RESEARCH, AND EDUCATION
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets
Revenue	3 Number of voting members of the governing body (Part VI, line 1a) 110
	4 Number of independent voting members of the governing body (Part VI, line 1b) 80
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a) 15,020
	6 Total number of volunteers (estimate if necessary) 1,004
	7a Total unrelated business revenue from Part VIII, column (C), line 12 -2,579,730
	7b Net unrelated business taxable income from Form 990-T, line 34 -4,306,911
Expenses	8 Contributions and grants (Part VIII, line 1h) 388,184,750
	9 Program service revenue (Part VIII, line 2g) 2,234,171,000
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 115,503,000
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 124,279,272
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 2,862,138,022
Net Assets or Fund Balances	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 54,974,000
	14 Benefits paid to or for members (Part IX, column (A), line 4) 0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 1,532,516,541
	16a Professional fundraising fees (Part IX, column (A), line 11e) 1,309,484
	b Total fundraising expenses (Part IX, column (D), line 25) 51,613,872
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 1,176,896,997
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 2,765,697,022
	19 Revenue less expenses Subtract line 18 from line 12 96,441,000
Signature Block	Beginning of Current Year End of Year
	20 Total assets (Part X, line 16) 7,795,608,000 8,481,418,000
	21 Total liabilities (Part X, line 26) 3,562,556,000 3,337,444,000
	22 Net assets or fund balances Subtract line 21 from line 20 4,233,052,000 5,143,974,000

Part II

Signature Block

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

Sign Here

Signature of officer

2014-11-10

Date

MICHAEL P GUTNICK EXEC VP & CFO

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

ERNST & YOUNG US LLP

Firm's EIN

Firm's address

111 MONUMENT CIRCLE SUITE 4000

INDIANAPOLIS, IN 46204

Phone no

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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

MEMORIAL SLOAN-KETTERING CANCER CENTER IS DEDICATED TO THIS MISSION LEADERSHIP IN THE PREVENTION, TREATMENT, AND CURE OF CANCER THROUGH EXCELLENCE, VISION, AND COST-EFFECTIVENESS IN PATIENT CARE, OUTREACH PROGRAMS, RESEARCH, AND EDUCATION LEADERSHIP IN PATIENT CARE WE PLACE THE HIGHEST PRIORITY ON ADVANCING THE CARE OF CANCER PATIENTS THROUGH EARLY DETECTION, ACCURATE DIAGNOSIS, AND OPTIMAL TREATMENT THESE THREE ELEMENTS LEAD TO THE MOST EFFECTIVE CANCER CARE POSSIBLE, WHICH IS ALSO THE MOST COST-EFFECTIVE CARE POSSIBLE WE STRIVE FOR EXCELLENCE IN ALL EXISTING AND EMERGING THERAPIES WITHOUT NEGLECTING THE NEED FOR ADVANCED APPROACHES IN PALLIATION WE DELIVER THESE THERAPIES IN A CARING ENVIRONMENT THAT ENCOMPASSES PATIENTS AS WELL AS THEIR LOVED ONES EXCELLENCE IN PATIENT CARE IS EXEMPLIFIED BY OUR MULTIDISCIPLINARY APPROACH, A CORE COMPETENCE OF OUR CENTER WE ARE COMMITTED TO DEVELOPING OUTREACH PROGRAMS TO BRING EXCELLENCE IN CANCER CARE TO THE COMMUNITY LEADERSHIP IN RESEARC

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 \$ 2,301,166,820 including grants of \$ 32,593,000) (Revenue \$ 2,377,063,000)

PATIENT CARE MEMORIAL SLOAN-KETTERING CANCER CENTER EXPERTS HAVE ESTABLISHED STANDARDS OF CARE AND TREATMENT PROTOCOLS FOR EACH TYPE AND STAGE OF CANCER OUR PHYSICIANS HAVE AN EXTRAORDINARY DEPTH AND BREADTH OF EXPERIENCE IN DIAGNOSING AND TREATING ALL FORMS OF THE DISEASE, FROM THE MOST COMMON TO THE VERY RARE EACH YEAR, THEY TREAT MORE THAN 400 DIFFERENT SUBTYPES OF CANCER THIS LEVEL OF SPECIALIZATION CAN HAVE AN OFTEN-DRAMATIC EFFECT ON A PATIENT’S CHANCES FOR A CURE OR CONTROL OF THEIR CANCER WHILE WE ARE KNOWN FOR OUR ADVANCED, INNOVATIVE THERAPIES, OUR PHYSICIANS ARE EQUALLY WELL REGARDED FOR THEIR COMPASSION AND CONCERN OUR DISEASE MANAGEMENT PROGRAM FEATURES 16 MULTIDISCIPLINARY CANCER TEAMS PATIENTS ARE TREATED BY AS MANY DIFFERENT SPECIALISTS AS ARE NEEDED FOR THEIR PARTICULAR TYPE OF DISEASE, INCLUDING SURGEONS, MEDICAL ONCOLOGISTS, RADIATION ONCOLOGISTS, RADIOLOGISTS, PATHOLOGISTS, PSYCHIATRISTS, AND NURSES OUR PATHOLOGISTS HAVE UNSURPASSED EXPERTISE IN USING ADVANCED METHODS TO ACCURATELY DIAGNOSE CANCER BECAUSE OF THEIR SOLE FOCUS ON CANCER, OUR SURGEONS, USE SURGICAL TECHNIQUES THAT PRESERVE FORM AND FUNCTION OUR RADIATION ONCOLOGISTS ARE DEVELOPING AND PUTTING INTO CLINICAL PRACTICE LEADING-EDGE TECHNOLOGIES AND TECHNIQUES IN RADIATION THERAPY IN ADDITION, THE CENTER OFFERS A FULL RANGE OF PROGRAMS TO HELP PATIENTS AND FAMILIES THROUGHOUT ALL PHASES OF TREATMENT, INCLUDING SUPPORT GROUPS, GENETIC COUNSELING, HELP MANAGING CANCER PAIN AND SYMPTOMS, REHABILITATION, INTEGRATIVE MEDICINE SERVICES, AND ASSISTANCE IN NAVIGATING LIFE AFTER TREATMENT

4b

(Code) (Expenses \$ 510,275,448 including grants of \$ 22,807,000) (Revenue \$ 41,560,000)

RESEARCH MEMORIAL SLOAN-KETTERING CANCER CENTER MAINTAINS ONE OF THE WORLD’S MOST DYNAMIC PROGRAMS OF CANCER RESEARCH THE EXTRAORDINARY PATIENT CARE WE PROVIDE BENEFITS FROM OUR INNOVATIVE PROGRAMS IN BASIC, TRANSLATIONAL, AND CLINICAL RESEARCH RESEARCH AT SLOAN-KETTERING INSTITUTE IS DEDICATED TO UNDERSTANDING THE BIOLOGY OF CANCER THROUGH PROGRAMS IN CELL BIOLOGY, GENETICS, BIOCHEMISTRY, MOLECULAR BIOLOGY, STRUCTURAL BIOLOGY, COMPUTATIONAL BIOLOGY, IMMUNOLOGY, AND THERAPEUTICS INVESTIGATORS AT SLOAN-KETTERING INSTITUTE COLLABORATE WITH MEMORIAL HOSPITAL PHYSICIAN-SCIENTISTS, A PARTNERSHIP THAT HELPS SPEED IMPORTANT RESEARCH FINDINGS FROM THE LABORATORY TO THE BEDSIDE, IN A PROCESS KNOWN AS TRANSLATIONAL RESEARCH MEMORIAL SLOAN-KETTERING CANCER CENTER ALSO ACTIVELY INITIATES AND PARTICIPATES IN CLINICAL TRIALS TO IDENTIFY MORE EFFECTIVE CANCER THERAPIES, AND OUR PHYSICIANS ARE CURRENTLY LEADING 735 CLINICAL TRIALS FOR PEDIATRIC AND ADULT CANCERS THE HUMAN ONCOLOGY AND PATHOGENESIS PROGRAM (HOPP) IS A FURTHER EFFORT TO INCREASE INSTITUTIONAL RESEARCH STRENGTH IN AREAS IMPORTANT IN CONTEMPORARY TRANSLATIONAL RESEARCH HOPP IS DESIGNED TO MELD EVEN MORE THOROUGHLY THE CULTURES OF BASIC BIOLOGIC SCIENCE AND CLINICAL ONCOLOGY, AUGMENTING THE WORK CONDUCTED IN THE LABORATORIES OF MEMORIAL SLOAN-KETTERING CANCER CENTER’S PHYSICIAN-SCIENTISTS

4c

(Code) (Expenses \$ 3,027,732 including grants of \$ 970,000) (Revenue \$)

GRADUATE SCHOOL OF BIOMEDICAL SCIENCE EDUCATION IS A VITAL PART OF MEMORIAL SLOAN-KETTERING CANCER CENTER’S MISSION OUR TRAINING PROGRAMS PREPARE PHYSICIANS AND SCIENTISTS FOR CAREERS IN THE BIOMEDICAL SCIENCES OUR COLLABORATIONS WITH THE ROCKEFELLER UNIVERSITY, CORNELL UNIVERSITY, AND WEILL MEDICAL COLLEGE OF CORNELL UNIVERSITY OFFER PHD PROGRAMS IN CHEMICAL BIOLOGY, COMPUTATIONAL BIOLOGY AND MEDICINE, AND THE MEDICAL SCIENCES THE CENTER ALSO PARTNERS WITH WEILL MEDICAL COLLEGE AND THE ROCKEFELLER UNIVERSITY TO OFFER A MD/PHD DEGREE FOR ASPIRING PHYSICIAN-SCIENTISTS IN 2004, THE CENTER ESTABLISHED A PHD PROGRAM IN CANCER BIOLOGY THROUGH ITS NEW LOUIS V GERSTNER, JR GRADUATE SCHOOL OF BIOMEDICAL SCIENCES THIS NOVEL PROGRAM, WHICH ENROLLED ITS FIRST CLASS IN 2006, TRAINS BASIC LABORATORY SCIENTISTS TO WORK IN RESEARCH AREAS DIRECTLY RELEVANT TO CANCER AND OTHER HUMAN DISEASES WE ALSO OFFER POSTGRADUATE CLINICAL FELLOWSHIPS TO TRAIN PHYSICIANS WHO SEEK SPECIAL EXPERTISE IN A PARTICULAR TYPE OF CANCER AND POSTGRADUATE RESEARCH FELLOWSHIPS THAT PROVIDE PHYSICIANS AND SCIENTISTS WITH ADVANCED LABORATORY RESEARCH TRAINING WITH FACULTY APPOINTMENTS AT THE WEILL MEDICAL COLLEGE OF CORNELL UNIVERSITY, OUR CLINICAL STAFF ALSO TRAIN RESIDENTS AND MEDICAL STUDENTS

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses ▶

2,814,470,000

Form 990 (2013)

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 Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E 	13 Yes	
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 Yes	
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 Yes	
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 Yes	
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If so, complete Schedule L, Part II</i>	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		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? <i>If "Yes," complete Schedule R, Part VI</i>	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.	2,072	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		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.	15,020	
2b 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).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		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)?			No
4b 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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?		Yes	
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?		Yes	
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.			
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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?			
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a 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.			
13b 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.			
13c Enter the amount of reserves on hand.			
14a Did the organization receive any payments for indoor tanning services during the tax year?			No
14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			

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	110		
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	80		
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	Yes
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	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	AK, AZ, AR, FL, GA, IL, KS, LA, MD, MA, MI, MN, MS, MO, NV, NH, NJ, NM, NY, ND, OH, OK, PA, RI, SC, TN, TX, UT, WA, WI
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	MICHAEL P GUTNICK 633 3RD AVENUE NEW YORK, NY 10017 (646) 227-3413

Check if Schedule O contains a response or note to any line in this Part VII ☒

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	41,498,575	0	3,619,848

2 Total number of individuals (including but not limited to those listed
\$100,000 of reportable compensation from the organization) 3,522

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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)	(B)	(C)
Name and business address	Description of services	Compensation
TURNER CONSTRUCTION, 375 HUDSON STREET NEW YORK NY 10014	GENERAL CONSTRUCT	61,247,170
JGN CONSTRUCTION CORP, 66-40 69TH STREET MIDDLE VILLAGE NY 11379	GENERAL CONSTRUCT	16,590,115
PERKINS EASTMAN ARCHITECTS, 115 FIFTH AVENUE NEW YORK NY 10003	ARCHITECTURAL	25,851,686
HUNTER ROBERTS CONSTRUCTION GR LLC, 2 WORLD FINANCIAL CENTER NEW YORK NY 10001	GENERAL CONSTRUCT	40,718,501
MICHAEL ANTHONY CONTRACTING, 161 RAILROAD AVENUE GARDEN CITY NY 11040	GENERAL CONSTRUCT	4,335,868

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 **155**

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						
	b	Membership dues	1b						
	c	Fundraising events	1c	638,038					
	d	Related organizations	1d						
	e	Government grants (contributions)	1e	150,656,000					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	386,863,892					
	g	Noncash contributions included in lines 1a-1f \$		5,801,714					
	h	Total. Add lines 1a-1f		538,157,930					
Program Service Revenue	2a	MEDICAL CARE	Business Code 622310	2,377,063,000	2,377,063,000				
	b	NON-GOVERNMENT SPONSORED RESEARCH	541711	41,560,000	41,560,000				
	c								
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f		2,418,623,000					
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		37,238,000		-2,579,730	39,817,730	
4		Income from investment of tax-exempt bond proceeds		9,624,000			9,624,000		
5		Royalties		94,058,000			94,058,000		
6a		Gross rents	(i) Real	(ii) Personal					
		b	Less rental expenses						
		c	Rental income or (loss)	0					0
		d	Net rental income or (loss)						0
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b	Less cost or other basis and sales expenses	715,399,094					151,418,000
		c	Gain or (loss)	538,660,094					89,223,000
		d	Net gain or (loss)	176,739,000					62,195,000
8a		Gross income from fundraising events (not including \$ 638,038 of contributions reported on line 1c) See Part IV, line 18	a	2,843,070					
		b	Less direct expenses	b					856,128
		c	Net income or (loss) from fundraising events						1,986,942
9a		Gross income from gaming activities See Part IV, line 19	a						
		b	Less direct expenses	b					
		c	Net income or (loss) from gaming activities						0
10a		Gross sales of inventory, less returns and allowances	a						
		b	Less cost of goods sold	b					
		c	Net income or (loss) from sales of inventory						0
Miscellaneous Revenue		Business Code							
11a		PARKING & STAFF HOUSING	722212	33,461,000			33,461,000		
b		CAFETERIA	722212	4,192,000			4,192,000		
c	VENDOR DISCOUNTS	561439	971,000			971,000			
d	All other revenue		8,846,000			8,846,000			
e	Total. Add lines 11a-11d		47,470,000						
12	Total revenue. See Instructions		3,386,091,872	2,418,623,000	-2,579,730	431,890,672			

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.	1,000,000	1,000,000		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	55,370,000	55,370,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	33,964,061	29,610,043	2,549,205	1,804,813
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	296,463	296,463		
7	Other salaries and wages.	1,199,851,706	1,181,048,140	3,820,287	14,983,279
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	123,756,891	122,100,931	660,311	995,649
9	Other employee benefits.	207,486,025	194,600,854	9,533,232	3,351,939
10	Payroll taxes.	73,281,253	71,657,550	646,050	977,653
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	9,462,547	7,425,946	1,455,634	580,967
c	Accounting.	1,119,634	954,146	122,564	42,924
d	Lobbying.	526,688	526,688		
e	Professional fundraising services. See Part IV, line 17.	1,346,005			1,346,005
f	Investment management fees.	8,773,956		8,773,956	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	46,724,337	41,766,675	4,057,433	900,229
12	Advertising and promotion.	9,347,637	334,769	6,102,693	2,910,175
13	Office expenses.	203,679,493	179,155,751	3,388,995	21,134,747
14	Information technology.	14,400,296	14,269,564	50,981	79,751
15	Royalties.	8,270,422		8,270,422	
16	Occupancy.	95,299,902	88,442,718	5,839,580	1,017,604
17	Travel.	9,417,091	8,584,430	271,884	560,777
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	11,789,482	10,668,631	300,231	820,620
20	Interest.	55,038,722	54,722,141	316,581	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	210,373,358	205,403,745	4,292,601	677,012
23	Insurance.	14,428,672	16,650,218	-2,239,154	17,608
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	PHARMACEUTICALS	348,220,457	348,220,457		
b	MEDICAL/SURGICAL SUPPLIES	154,415,031	154,415,031		
c	PROVISION BAD DEBT-REG ASSMT	19,964,870	19,881,087	83,783	
d	UBIT EXPENSE	197,001		197,001	
e	All other expenses	-856,128	7,364,022	-7,632,270	-587,880
25	Total functional expenses. Add lines 1 through 24e.	2,916,945,872	2,814,470,000	50,862,000	51,613,872
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).	20,986,529	10,462,691		10,523,838

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		241,948,000	1	213,478,000
	2	Savings and temporary cash investments		255,285,000	2	366,501,000
	3	Pledges and grants receivable, net		434,056,000	3	574,243,000
	4	Accounts receivable, net		403,223,000	4	411,312,000
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.		300,000	5	200,000
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.		0	6	0
	7	Notes and loans receivable, net		30,194,000	7	29,429,000
	8	Inventories for sale or use		34,976,000	8	39,450,000
	9	Prepaid expenses and deferred charges		96,161,000	9	99,967,000
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a4,200,039,000			
	b	Less: accumulated depreciation	10b1,971,740,000	2,221,313,000	10c	2,228,299,000
	11	Investments—publicly traded securities		3,287,213,000	11	3,685,090,000
	12	Investments—other securities. See Part IV, line 11.		788,950,000	12	830,153,000
	13	Investments—program-related. See Part IV, line 11.		1,989,000	13	3,296,000
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11.		0	15	0
	16	Total assets. Add lines 1 through 15 (must equal line 34).		7,795,608,000	16	8,481,418,000
Liabilities	17	Accounts payable and accrued expenses		483,925,000	17	503,569,000
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		1,308,088,000	20	1,252,891,000
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		845,140,000	24	845,140,000
	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.		925,403,000	25	735,844,000
	26	Total liabilities. Add lines 17 through 25.		3,562,556,000	26	3,337,444,000
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		3,274,857,000	27	3,932,443,000
	28	Temporarily restricted net assets		500,568,000	28	656,237,000
	29	Permanently restricted net assets		457,627,000	29	555,294,000
	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		4,233,052,000	33	5,143,974,000
	34	Total liabilities and net assets/fund balances		7,795,608,000	34	8,481,418,000

Part XI Reconciliation 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	3,386,091,872
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,916,945,872
3	Revenue less expenses Subtract line 2 from line 1	3	469,146,000
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,233,052,000
5	Net unrealized gains (losses) on investments	5	269,151,000
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	172,625,000
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,143,974,000

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? 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		No
2b	Were the organization's financial statements audited by an independent accountant? 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	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?	Yes	
3b	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	Yes	

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 Memorial Sloan-Kettering Cancer Center	Employer identification number 91-2154267
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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? (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? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the supported organization(s)

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

(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	
See Additional Data Table									
Total									0

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.")	5,000	299,661,000	465,007,000	388,184,750	538,157,930	1,691,015,680
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	5,000	299,661,000	465,007,000	388,184,750	538,157,930	1,691,015,680
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)						0
6 Public support. Subtract line 5 from line 4						1,691,015,680

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	5,000	299,661,000	465,007,000	388,184,750	538,157,930	1,691,015,680
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	90,061,649	105,245,644	120,044,350	128,632,692	143,499,730	587,484,065
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	37,155,110	38,398,000	45,187,000	46,748,250	50,313,070	217,801,430
11 Total support (Add lines 7 through 10)						2,496,301,175
12 Gross receipts from related activities, etc. (see instructions)					12	10,465,418,000
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	67 741 %
15 Public support percentage for 2012 Schedule A, Part II, line 14	15	0 %
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 IIISupport 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
SUPPORTED ORGANIZATIONS	SUPPORT FROM MEMORIAL SLOAN-KETTERING CANCER CENTER AND S K I REALTY, INC RELATE PRINCIPALLY TO THE SHARING OF CERTAIN FACILITIES, EQUIPMENT, PERSONNEL COSTS, REQUISITION SERVICES (WHICH MAY INCLUDE SERVICES SUCH AS CONFRENCE PLANNING, MOTION MEDIA, MEDICAL GRAPHICS AND FACILITIES MANAGEMENT) AND ALLOCATIONS AMOUNTS DUE TO OR DUE FROM AFFILIATES RESULTING FROM THESE SERVICES DO NOT BEAR INTEREST

Additional Data

Software ID:
Software Version:
EIN: 91-2154267
Name: Memorial Sloan-Kettering Cancer Center

Form 990, Sch A, Part I, Line 11h - 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)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH	131624182	04	Yes		Yes		Yes		0
(A) MEMORIAL HOSPITAL FOR CANCER & ALLIED DISEASES	131624082	03	Yes		Yes		Yes		0
(B) LOUIS V GERSTNER JR GRADUATE SCHOOL OF BIOMEDICAL SCIENCE	202212588	02	Yes		Yes		Yes		0

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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)		(b)
		Yes	No	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)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		236,402
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		290,286
j	Total. Add lines 1c through 1i.			526,688
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
FORM 990, SCHEDULE C, PART II-B	MSKCC ENGAGES IN BOTH FEDERAL AND STATE LOBBYING. THE CENTER'S FEDERAL LOBBYING EFFORT FOCUSES ON PATIENT CARE AND REIMBURSEMENT ISSUES. PATIENT CARE ADVOCACY INCLUDES ENSURING PATIENTS ARE ABLE TO ACCESS CLINICAL TRIALS AND CANCER HOSPITALS ARE ABLE TO EFFECTIVELY RESEARCH POTENTIAL TREATMENTS FOR CANCER AS WELL AS PREVENTIVE AND PALLIATIVE MEASURES. THE CENTER ALSO SEEKS TO RECEIVE EQUITABLE REIMBURSEMENT FOR SERVICES RENDERED TO PATIENTS ENROLLED IN ENTITLEMENT PROGRAMS. FROM TIME TO TIME THE CENTER WEIGHS IN ON OTHER FEDERAL LEGISLATION THAT IMPACTS CANCER CARE AND HOSPITALS IN GENERAL. THE CENTER'S STATE LOBBYING EFFORT CONCENTRATES ON LEGISLATION THAT IMPACTS PROVIDERS' ABILITIES TO EFFECTIVELY CARE FOR PATIENTS, SUCH AS LEGISLATION THAT AMENDS CONSTRUCTION REVIEW PROCEDURES, PROVIDES FUNDING FOR BLOOD DONATION DRIVES, OR ENCOURAGES COLLABORATION BETWEEN CARE PROVIDERS AT HOSPITAL FACILITIES. STATE EFFORTS ALSO FOCUS ON ADVOCATING FOR HEALTH CARE ISSUES DURING STATE BUDGET NEGOTIATIONS. LOCAL LOBBYING IS PERFORMED BY THE GREATER NEW YORK HOSPITAL ASSOCIATION ON BEHALF OF ITS MEMBERS. PART II-B LINE 1: OTHER ACTIVITIES LOBBYING PORTION OF DUES PAID: AMERICAN HOSPITAL ASSOCIATION \$ 29,675 GREATER NEW YORK HOSPITAL ASSOCIATION \$ 208,511 ADMINISTRATIVE COST AND RETAINER FEES: CAMMARANO, LAYTON & BOMBARDIERS \$ 26,850 MURTHA CULLINA \$ 25,250

[illegible]

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 Memorial Sloan-Kettering Cancer Center	Employer identification number 91-2154267
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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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

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 |
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- 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	709,754,000	726,867,000	748,997,000	767,701,000	776,235,000
b Contributions	56,687,000	24,401,000	32,670,524	13,421,000	5,531,000
c Net investment earnings, gains, and losses	44,303,000	10,195,000	-2,933,000	9,453,000	23,093,000
d Grants or scholarships					
e Other expenditures for facilities and programs	57,495,000	51,709,000	51,867,524	41,578,000	37,158,000
f Administrative expenses					
g End of year balance	753,249,000	709,754,000	726,867,000	748,997,000	767,701,000

- 2

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

a

Board designated or quasi-endowment

26 280 %

b

Permanent endowment

73 720 %

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

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐ No
- b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐ No

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		136,470,000		136,470,000
b Buildings		2,925,633,000	1,156,912,000	1,768,721,000
c Leasehold improvements		86,203,000	55,698,000	30,505,000
d Equipment		1,051,733,000	759,130,000	292,603,000
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,228,299,000

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	3,638,870,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	269,151,000
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	856,128
e	Add lines 2a through 2d	2e	270,007,128
3	Subtract line 2e from line 1	3	3,368,862,872
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	17,229,000
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	17,229,000
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	3,386,091,872

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	2,899,573,000
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	856,128
e	Add lines 2a through 2d	2e	856,128
3	Subtract line 2e from line 1	3	2,898,716,872
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	17,229,000
b	Other (Describe in Part XIII)	4b	1,000,000
c	Add lines 4a and 4b	4c	18,229,000
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	2,916,945,872

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
SCHEDULE D PART V	PERMANENT ENDOWMENT FUNDS ARE HELD BY THE ORGANIZATION IN PERPETUITY INCOME EARNED ON THE FUND BALANCE IS USED TO SUPPORT THE OPERATIONS OF MEMORIAL SLOAN-KETTERING CANCER CENTER AND ITS AFFILIATED ORGANIZATIONS
PART XI LINE 2d	OTHER \$856,128 ARE DIRECT EXPENSES RELATING TO FUNDRAISING EVENTS COSTS ARE REMOVED FROM THE STATEMENT OF FUNCTIONAL EXPENSES AND NETTED ON THE STATEMENT OF REVENUE
PART XII	OTHER \$856,128 ARE DIRECT EXPENSES RELATING TO FUNDRAISING EVENTS COSTS ARE REMOVED FROM THE STATEMENT OF FUNCTIONAL EXPENSES AND NETTED ON THE STATEMENT OF REVENUE OFFSET BY A GRANT PAYMENT TO THE RALPH LAUREN CENTER FOR CANCER CARE AND PREVENTION FROM A RESERVED LIABILITY OF (\$1,000,000)
PART X LINE2	A FIN 48 FOOTNOTE DISCLOSURE, RELATING TO THE ACCOUNTING FOR INCOME TAXES, WAS NOT REQUIRED BECAUSE THERE WAS NO MATERIAL IMPACT ON THE INSTITUTION'S FINANCIAL STATEMENTS

[illegible]

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

►Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
► Attach to Form 990 or Form 990-EZ.
► Information about Schedule E (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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

Part I		YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	Yes	
	2	Yes	
	3	Yes	
	4a	Yes	
	4b	Yes	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	4c	Yes	
	4d	Yes	
	5a		No
	5b		No
	5c		No
	5d		No
	5e		No
	5f		No
	5g		No
	5h		No
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain If you need more space use Part II	6a		No
	6b		No
	7	Yes	

Part III Supplemental Information. Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions)

Return Reference	Explanation
SCHEDULE E, PART I	THE SCHOOL'S NONDISCRIMINATORY POLICY IS PUBLICIZED ON ITS WEB SITE. HTTP://WWW.SLOANKETTERING.EDU/GERSTNER/HTML/54499.CFM ALL APPLICANTS TO THE LOUIS V. GERSTNER JR., GRADUATE SCHOOL OF BIOMEDICAL SCIENCES ARE CONSIDERED ON THE BASIS OF MERIT. THE SCHOOL DOES NOT DISCRIMINATE ON THE BASIS OF GENDER, RACE, COLOR, CREED, RELIGION, AGE, NATIONAL ORIGIN, DISABILITY, VETERAN STATUS, MARITAL STATUS, SEXUAL ORIENTATION, OR CITIZENSHIP STATUS IN ACCORDANCE WITH INSTITUTIONAL POLICY AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE CIVIL RIGHTS ACT, THE EDUCATION ADMENDMENTS, THE REHABILITATION ACT, THE AGE DISCRIMINATION ACT, AND THE AMERICANS WITH DISABILITIES ACT.

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Central America and the Caribbean			Investments		1,003,560,148
(2) Europe (Including Iceland and Greenland)			Investments		75,225,044
(3)					
(4)					
(5)					
3a Sub-total					1,078,785,192
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					1,078,785,192

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 3 Enter total number of other organizations or entities ▶

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☒ Yes ☐ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☒ Yes ☐ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes ☒ No

Part V

Supplemental Information
Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

990 Schedule F, Supplemental Information

Return Reference	Explanation
SCHEDULE F, PART I, LINE 2	MEMORIAL SLOAN-KETTERING CANCER CENTER DOES NOT MAKE GRANTS OR USE GRANT MONEY OUTSIDE OF THE UNITED STATES

990 Schedule F, Supplemental Information

Return Reference	Explanation
PART I LINE 3	VALUES SHOWN IN COLUMN F ARE THE MARKET VALUES FOR THE INVESTMENTS AT DECEMBER 31

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (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 Memorial Sloan-Kettering Cancer Center	Employer identification number 91-2154267
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Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a

☒ Mail solicitations

b

☒ Internet and email solicitations

c

☒ Phone solicitations

d

☒ In-person solicitations

e

☒ Solicitation of non-government grants

f

☒ Solicitation of government grants

g

☒ Special fundraising events
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes ☐ No
- b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 TARGET MARKETEAM	DIRECT MAIL CONSULTING		No	7,941,876	480,000	7,461,876
2 DONOR SERVICES	TELEMARKETI CONSULTING		No	8,182,868	494,565	7,688,303
3 Paradysz Matera Co	Mail list consulting		No	3,350,869	202,523	3,148,346
4 M R STRATEGIC SERVICES	TELEMARKETI CONSULTING		No	2,794,829	168,917	2,625,912
5						
6						
7						
8						
9						
10						
Total ▶				22,270,442	1,346,005	20,924,437

- 3

List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY

.....

.....

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))	
			<u>SPRING BALL</u> (event type)	<u>FALL PARTY</u> (event type)	<u>4</u> (total number)		
	1	Gross receipts	1,540,514	530,658	1,409,936	3,481,108	
	2	Less Contributions . . .	314,264	9,508	314,266	638,038	
	3	Gross income (line 1 minus line 2)	1,226,250	521,150	1,095,670	2,843,070	
Direct Expenses	4	Cash prizes					
	5	Noncash prizes . . .					
	6	Rent/facility costs . . .	206,021	103,170	62,875	372,066	
	7	Food and beverages .			163,095	163,095	
	8	Entertainment	84,280		5,562	89,842	
	9	Other direct expenses .	119,998	6,970	104,157	231,125	
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶					(856,128)
	11	Net income summary Subtract line 10 from line 3, column (d) ▶					1,986,942

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	Yes % No	Yes % No	Yes % No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states?

Yes

No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

Yes

No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ **Yes** ☐ **No**

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ **Yes** ☐ **No**

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ **Yes** ☐ **No**

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$ _____

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ **Yes** ☐ **No**

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other _____ 500 %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other _____ 500 %	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 Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	No
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 eligible 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)			19,114,052	3,170,508	15,943,544	0 550 %
b Medicaid (from Worksheet 3, column a)			90,315,120	29,614,762	60,700,358	2 090 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			109,429,172	32,785,270	76,643,902	2 640 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			15,566,905	470,795	15,096,109	0 520 %
f Health professions education (from Worksheet 5)			146,007,484	9,853,227	136,154,257	4 680 %
g Subsidized health services (from Worksheet 6)			972,386	7,836	964,550	0 030 %
h Research (from Worksheet 7)			373,558,095	161,114,000	212,444,095	7 310 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,187,106	105,000	1,082,106	0 040 %
j Total Other Benefits			537,291,975	171,550,858	365,741,117	12 580 %
k Total. Add lines 7d and 7j . .			646,721,147	204,336,129	442,385,018	15 220 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			299,229	8,408	290,820	0 010 %
7Community health improvement advocacy			298,085	181,000	117,085	
8Workforce development						
9Other						
10Total			597,314	189,408	407,905	0 010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

Yes

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

25,358,052

3Enter 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

2,109,501

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

595,798,511

6Enter Medicare allowable costs of care relating to payments on line 5.

6

739,511,629

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-143,713,118

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

Yes

Part IVManagement 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?
2

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

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)

2

	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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
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? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a ☒ Hospital facility's website (list url) <u>WWW.MSKCC.ORG</u>		
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 Yes	
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? If "Yes," indicate the FPG family income limit for eligibility for free care 500 % If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 500 % If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	Yes
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		No
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?		
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		No
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?		
If "Yes," explain in Part VI		
22		No
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?		
If "Yes," explain in Part VI		

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? 14

Name and address	Type of Facility (describe)
1 See Additional Data Table	
2	
3	
4	
5	
6	
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 1, LINE 3C	A PATIENT WITH INCOME LESS THAN OR EQUAL TO 500% OF THE FPL IS ELIGIBLE FOR THE INSTITUTION'S FINANCIAL ASSISTANCE PROGRAM FOR INSTANCE, THE INSTITUTION MAY REDUCE THE FEES INCURRED BY THE PATIENT OR ACCEPT AS FULL PAYMENT AMOUNTS PAID BY THE INSURANCE CARRIER ON THE PATIENT'S BEHALF A PATIENT MAY ALSO QUALIFY FOR ASSISTANCE EVEN IF HIS/HER INCOME IS GREATER THAN THE THRESHOLD LIMIT THIS IS BECAUSE THE INSTITUTION ADJUSTS PATIENTS' INCOME FOR ROUTINE MONTHLY EXPENSES, INCLUDING TAXES, TO DETERMINE DISPOSABLE INCOME MSKCC ALSO DEDUCTS A SPECIFIC AMOUNT (DEBT BURDEN) AS A MONTHLY CLOTHES AND FOOD ALLOWANCE BASED ON A PATIENT'S FAMILY SIZE IN EVALUATING THE TYPE AND AMOUNT OF ASSISTANCE NEEDED THE TABLES BELOW ILLUSTRATE THE 2013 INCOME GUIDELINES USED IN EVALUATING A PATIENT'S FINANCIAL STATUS FAMILY ALLOWED RESOURCE FOOD & CLOTHING SIZE INCOME LEVELS ALLOWANCE 1 \$57,450 \$33,096 \$1,147 2 \$77,550 \$40,734 \$1,431 3 \$97,650 \$48,372 \$1,641 4 \$117,750 \$56,012 \$1,859 5 \$137,850 \$63,650 \$2,062 6 \$157,950 \$71,288 \$2,279 PART I, LINE 6A EACH YEAR, THE INSTITUTION PUBLISHES AN ANNUAL REPORT, THE "COMMUNITY SERVICE PLAN", WHICH PROVIDES INFORMATION ON ITS PUBLIC HEALTH PROGRAMS AND FINANCIAL ASSISTANCE SERVICES IT IS AVAILABLE ON OUR WEB SITE, WWW MSKCC ORG, AND BY MAIL UPON REQUEST IT IS MAILED TO LOCAL ELECTED OFFICIALS AND ORGANIZATIONS AND IS PUBLICIZED THROUGH OUR COMMUNITY NEWSLETTER PART I, LINE 7G MEMORIAL SLOAN-KETTERING HAS CONSISTENTLY SET THE STANDARD OF CARE FOR PEOPLE WITH CANCER BY EMPHASIZING EARLY DETECTION, PRECISE DIAGNOSIS, AND INDIVIDUALLY TAILORED TREATMENT THE HOSPITAL SUBSIDIZES CANCER SCREENING, TREATMENT, AND SUPPORT SERVICES TO FULFILL ITS MISSION AND TO HELP REDUCE CANCER HEALTH DISPARITIES AMONG MINORITY AND MEDICALLY UNDERSERVED POPULATIONS MSKCC'S BREAST EXAMINATION CENTER OF HARLEM (BECH) PROVIDES BREAST AND CERVICAL CANCER SCREENING, COUNSELING AND PATIENT FOLLOW-UP, AS WELL AS EDUCATIONAL PROGRAMS TO UNINSURED PATIENTS THROUGHOUT THE NEW YORK CITY AREA BECH HAS A DEDICATED STAFF, INCLUDING A HEALTH EDUCATOR WHOSE ROLE IS TO INITIATE AND IMPLEMENT OUTREACH ACTIVITIES IN HARLEM AND THE SURROUNDING COMMUNITIES SINCE ITS INCEPTION IN 1979, BECH HAS HAD MORE THAN 233,370 VISITS, WITH 4,191 OF THOSE TAKING PLACE IN 2013 ALL SERVICES WERE PROVIDED AT NO OUT-OF-POCKET EXPENSE TO THE WOMEN WHO RECEIVED CANCER SCREENING AND FOLLOW-UP SERVICES LOCATED IN HARLEM, THE RALPH LAUREN CENTER FOR CANCER CARE AND PREVENTION (RLCCCP) OFFERS CANCER SCREENING AND TREATMENT SERVICES TO ITS MEDICALLY UNDERSERVED COMMUNITY THE RLCCCP, MADE POSSIBLE IN PART THROUGH A GIFT FROM THE POLO RALPH LAUREN CORPORATION, AND IS SUBSIDIZED, IN PART, BY A GRANT FROM MSKCC SINCE ITS INCEPTION RLCCCP HAS CONDUCTED MORE THAN 105,000 VISITS, OF WHICH APPROXIMATELY 13,000 OCCURRED IN 2013 RLCCCP CONTINUES TO PROVIDE CARE TO INDIVIDUALS WHO PARTICIPATE IN MEDICAID AND MEDICAID MANAGED CARE PROGRAMS TO BETTER SERVE THE NEEDS OF DIAGNOSED PATIENTS, THE RALPH LAUREN CENTER HAS EXPANDED ITS NAVIGATION EFFORTS BY CREATING A MULTIDISCIPLINARY TEAM FOR EACH ONCOLOGIST, CONSISTING OF A CLINICAL NURSE NAVIGATOR AND A LAY NAVIGATOR BOTH NAVIGATORS ASSIST PATIENTS FROM THE TIME OF DIAGNOSIS TO COMPLETION OF TREATMENT AND BEYOND THE CLINICAL NAVIGATOR FOCUSES ON MEDICAL ISSUES, WORKING WITH THE ONCOLOGIST TO ENSURE THAT THE PATIENT UNDERSTANDS THEIR DIAGNOSIS AND TREATMENT PLAN THE LAY NAVIGATOR WORKS WITH THE PATIENT TO ELIMINATE BARRIERS, SUCH AS TRANSPORTATION, AND LINKING PATIENT SERVICES IN THE COMMUNITY AS DEEMED NECESSARY MEMORIAL SLOAN KETTERING'S PSYCHIATRY & BEHAVIORAL SERVICES DEPARTMENT OFFERS INPATIENT AND OUTPATIENT PSYCHOLOGICAL AND SOCIAL SUPPORT SERVICES TO PATIENTS, THEIR FAMILIES, AND CAREGIVERS ALL MEDICAID OUTPATIENT VISITS AND INPATIENT ENCOUNTERS ARE SUBSIDIZED BY MEMORIAL SLOAN KETTERING, AS ARE UNREIMBURSED TIME AND EFFORT BY NURSES TO STAFF A SMOKING CESSATION CLINIC APPROXIMATELY 700 PATIENTS WERE TREATED BY THE NURSING STAFF DURING 2013 PHILANTHROPIC FUNDS ARE USED TO SUPPORT A SIGNIFICANT NUMBER OF THE DEPARTMENT'S OVERALL CLINICAL AND TRAINING ACTIVITIES THE INTEGRATIVE MEDICINE SERVICE PROVIDES FREE CLINICAL CARE FOR INPATIENTS DURING 2013, THE SERVICE PROVIDED 8,756 TREATMENTS THE CLINICAL SERVICES PROVIDED INCLUDE MUSIC THERAPY, TOUCH THERAPY, ACUPUNCTURE, YOGA, MEDITATION, GUIDED IMAGERY, AND DANCE THERAPY A TOUCH THERAPY FOR CAREGIVERS COURSE IS OFFERED FREE OF CHARGE TO ANY INPATIENT AND THEIR FAMILY MEMBERS ONCE PER MONTH PART I, LINE 7, COLUMN (F) THE AMOUNT OF THE BAD DEBT EXPENSE REMOVED FROM THE 2013 CALCULATION IS \$9,120,000 PART I, LINE 7 FINANCIAL ASSISTANCE REPRESENTS THE COST OF SERVICES PROVIDED TO PATIENTS WHO CANNOT AFFORD HEALTH CARE SERVICES DUE TO INADEQUATE RESOURCES AND/OR ARE UNINSURED OR UNDERINSURED A PATIENT IS CLASSIFIED AS A FINANCIAL ASSISTANCE PATIENT IN ACCORDANCE WITH THE INSTITUTION'S ESTABLISHED POLICIES AND WHERE INSUFFICIENT PAYMENT FOR SUCH SERVICES IS ANTICIPATED THE INSTITUTION CONSIDERS PATIENTS FOR FINANCIAL ASSISTANCE IF HOUSEHOLD INCOME IS LESS THAN 500% OF THE FEDERAL POVERTY GUIDELINES SERVICES PROVIDED AS FINANCIAL ASSISTANCE ARE NOT REPORTED AS REVENUE THE COSTS REPORTED IN THE TABLE WERE BASED ON VARIOUS SOURCES FINANCIAL ASSISTANCE AND UNREIMBURSED MEDICAID AND MEDICARE COMMUNITY BENEFITS COST WERE BASED ON A COST TO CHARGE RATIO CALCULATION THE TOTAL CHARGES ASSOCIATED WITH THESE PROGRAMS ARE MULTIPLIED BY A RATIO OF HISTORICAL EXPENSES TO CHARGES AS DERIVED FROM THE HOSPITAL'S NEW YORK STATE INSTITUTIONAL COST REPORT THE COSTS ASSOCIATED WITH A PORTION OF THE HEALTH PROFESSIONAL EDUCATION COMMUNITY BENEFIT ARE ALSO OBTAINED FROM THE STEPDOWN OF COSTS PREPARED AS PART OF THE NYS INSTITUTIONAL COST REPORT COSTS OF PROVIDING FINANCIAL ASSISTANCE AS CALCULATED PER THE ABOVE IS NET OF AMOUNTS RECEIVED FROM THE NYS BAD DEBT AND CHARITY CARE POOLS TO ARRIVE AT THE AMOUNTS REPORTED ON THE TABLE ADDITIONAL STEPS AS OUTLINED BELOW WERE TAKEN UNPAID COST OF GOVERNMENT SPONSORED HEALTH CARE REPRESENTS THE ESTIMATED DIFFERENCE BETWEEN THE PAYMENTS MADE UNDER THE MEDICARE AND MEDICAID PROGRAMS AND THE INSTITUTION'S COST OF PROVIDING THESE SERVICES AS CALCULATED ABOVE THE INSTITUTION SUBTRACTS ALL REVENUES RECEIVED FROM THE MEDICARE AND MEDICAID PROGRAMS TO DETERMINE THE COMMUNITY BENEFIT PROVIDED RESEARCH COMMUNITY BENEFIT COSTS REPRESENT ALL COSTS FOR BASIC TRANSLATIONAL AND CLINICAL RESEARCH SUPPORTED BY INSTITUTIONAL FUNDS, GOVERNMENTAL, AND OTHER NON-PROFIT ORGANIZATIONS RESEARCH COSTS SUPPORTED BY INDIVIDUAL AND CORPORATE PHILANTHROPIC FUNDS, TOTALING \$88,160,000 ARE NOT INCLUDED IN SCHEDULE H, PART I, LINE 7 THE INSTITUTION IS A PREEMINENT PROVIDER OF HEALTH TRAINING TO HEALTH PROFESSIONALS WHO DESIRE TRAINING IN THE SKILLS NECESSARY TO TREAT CANCER PATIENTS THE INSTITUTION TRAINS PHYSICIANS, SCIENTISTS, MEDICAL STUDENTS, RADIOLOGY STUDENTS, NURSING STUDENTS, SOCIAL WORK STUDENTS AND INDIVIDUALS LOOKING TO CREATE A CAREER IN THE FIELD OF CANCER BIOLOGY THE AMOUNTS REPORTED AS HEALTH TRAINING REPRESENTS INSTITUTIONAL FUNDS, AS WELL AS COSTS IN EXCESS OF AMOUNTS REIMBURSED BY THIRD PARTY PAYERS SUCH AS TRAINING GRANT REVENUES AND DIRECT MEDICAL EDUCATION PAYMENTS FROM THE MEDICARE PROGRAM PART II MSKCC ENGAGES IN AND SUPPORTS COALITION BUILDING ACTIVITIES THAT PROMOTE THE HEALTH OF THE COMMUNITIES THE INSTITUTION SERVES STAFF MEMBERS ARE ENCOURAGED TO SHARE THEIR CLINICAL EXPERTISE AND EXPERIENCE WITH PARTNERING HEALTHCARE FACILITIES AND COMMUNITY ORGANIZATIONS STAFF MEMBERS SERVE AND PARTICIPATE IN NUMEROUS COMMUNITY GROUPS INCLUDING THE AMERICAN CANCER SOCIETY, THE AMERICAN PUBLIC HEALTH ASSOCIATION, THE GREATER NEW YORK HOSPITAL ASSOCIATION, AND MANY HEALTH IMPROVEMENT ADVOCACY GROUPS FOR PARTICULAR TYPES OF CANCER ALTHOUGH THE SIGNIFICANT COST OF STAFF TIME DEVOTED TO THESE ACTIVITIES IS NOT QUANTIFIED BY THE CENTER, THE INSTITUTION CONSIDERS THESE EFFORTS TO COLLABORATE AND BUILD COMMUNITY RESOURCES TO BE OF SIZEABLE COMMUNITY BENEFIT PART III, LINE 2 THE AMOUNT SHOWN ON LINE 2 IS THE ACTUAL 2013 BAD DEBT WRITE-OFF WHICH IS DERIVED BY TAKING THE GROSS CHARGES ASSOCIATED WITH THE PROVISION FOR DEBTS AND MULTIPLYING BY A RATIO OF HISTORICAL EXPENSES TO CHARGES AS DERIVED FROM THE HOSPITAL'S NEW YORK STATE INSTITUTIONAL COST REPORT A SEPARATE RATIO IS CALCULATED FOR EACH TYPE OF PATIENT CARE ACTIVITY INPATIENT, OUTPATIENT AND PHYSICIAN PART III, LINE 3 PATIENTS HAVE THE OPPORTUNITY TO PURSUE VARIOUS CHARITY CARE PROGRAMS THROUGH MSKCC'S FINANCIAL ASSISTANCE PROGRAM IF A PATIENT IS FOUND TO HAVE THE APPROPRIATE RESOURCES TO PAY FOR HEALTH SERVICES AND DOES NOT, OR CHOOSES NOT TO PARTICIPATE IN AVAILABLE HEALTH BENEFIT PROGRAMS THE COLLECTION PROCESS WILL BE PURSUED IN ACCORDANCE WITH THE INSTITUTION'S POLICY ONCE DEEMED UNCOLLECTABLE, THE CHARGES ARE CLASSIFIED AS BAD DEBTS AND ARE CHARGED OFF AS SUCH THE AMOUNTS IN THE TABLE, RE

Additional Data

Software ID:

Software Version:

EIN: 91-2154267

Name: Memorial Sloan-Kettering Cancer Center

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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?

Name and address	Type of Facility (describe)
1 LAURANCE S ROCKEFELLER OP PAVILION 160 EAST 53RD STREET NEW YORK,NY 10065	EXTENSION CLINIC
2 BREAST AND IMAGING CENTER 300 EAST 66TH STREET NEW YORK,NY 10065	EXTENSION CLINIC
3 MSKCC COMMACK 650 COMMACK ROAD COMMACK,NY 11725	EXTENSION CLINIC
4 MSKCC BASKING RIDGE-AMBULATORY CARE 136 MOUNTAIN VIEW BLVD BASKING RIDGE,NJ 07920	EXTENSION CLINIC
5 SIDNEY KIMMEL PROSTATE & UROLOGIC CENTER 353 EAST 68TH STREET NEW YORK,NY 10065	EXTENSION CLINIC
6 MSKCC SLEEPY HOLLOW 777 NORTH BROADWAY SLEEPY HOLLOW,NY 10591	EXTENSION CLINIC
7 MSKCC HAUPPAUGE 800 VETERANS MEMORIAL HIGHWAY HAUPPAUGE,NY 11787	EXTENSION CLINIC
8 MSKCC ATLANTIC AVENUE CENTER 557 ATLANTIC AVENUE BROOKLYN,NY 11217	EXTENSION CLINIC
9 MSKCC COUNSELING CENTER 641 LEXINGTON AVENUE NEW YORK,NY 10065	EXTENSION CLINIC
10 MSKCC OP IMAGING AT EAST 55 STREET 301 EAST 55TH STREET NEW YORK,NY 10065	EXTENSION CLINIC
11 POST TREATMENT RESOURCES PROGRAM 215 EAST 68TH STREET NEW YORK,NY 10065	EXTENSION CLINIC
12 THE BENDHEIM INTEGRATIVE MEDICINE CENTER 1429 FIRST AVENUE NEW YORK,NY 10021	EXTENSION CLINIC
13 THE HARLEM BREAST EXAMINATION CENTER 163 WEST 125TH STREET NEW YORK,NY 10065	EXTENSION CLINIC
14 MSKCC - 64TH STREET 205 EAST 64TH STREET NEW YORK,NY 10065	EXTENSION CLINIC

OMB No 1545-0047

▶ Attach to Form 990

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

Open to Public Inspection

Memorial Sloan-Kettering Cancer Center

Employer identification number

91-2154267

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?

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

☒ Yes ☐ No

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.

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	▶	<u>1</u>
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) STIPENDS	2202	55,370,000			

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
Description of Organization's Procedures for Monitoring the Use of Grants	FOR THE YEAR 2013, THE AMOUNT IS FOR STIPENDS PAID TO 323 RESEARCH FELLOWS, 133 RESEARCH SCHOLARS, AND 55 GRADUATE SCHOOL STUDENTS STIPENDS WERE ALSO PAID TO A TOTAL OF 1,691 CLINICAL INTERNS, RESIDENTS AND FELLOWS THAT FILLED 464 POSITIONS DURING THE YEAR EDUCATION AND TRAINING INCLUDES CLASSROOM INSTRUCTION WITH HANDS-ON EXPERIENCE IN BOTH RESEARCH LABORATORIES AND CLINICAL CARE ACTIVITIES THE AFOREMENTIONED GRANTEEES ARE REQUIRED TO BE IN COMPLIANCE WITH ACADEMIC REQUIREMENTS THIS INCLUDES DIRECT SUPERVISION AND DIRECTION BY PHYSICIANS AND RESEARCH INVESTIGATORS RALPH LAUREN CENTER FOR CANCER CARE & PREVENTION DURING 2013, MSKCC PAID \$1,000,000 TO THE RALPH LAUREN CENTER FOR CANCER CARE & PREVENTION TO OFFSET OPERATING EXPENSES THIS AMOUNT PAID WAS FROM A PREVIOUSLY ACCRUED LIABILITY THE BOARD HAD APPROVED RESOLUTIONS TO SUPPORT THE RALPH LAUREN CENTER'S LOSSES UP TO \$3,300,000 CUMULATIVELY SINCE 2011 MSKCC REGULARY MEETS WITH THE RALPH LAUREN CENTER'S BOARD OF DIRECTORS TO REVIEW THAT THEIR SPENDING IS IN CONFORMITY WITH THEIR MISSION

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☒ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☒ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ 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	1bYes	
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?	2Yes	
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 ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4bYes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
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? If "Yes," to line 5a or 5b, describe in Part III	5b	No
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6a	No
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III	6b	No
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 accrued 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	8Yes	
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9Yes	

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

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

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

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

Part III **Supplemental Information**

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
Supplemental Compensation Information	SCHEDULE J, PART I, LINE 1A BUSINESS OR FIRST CLASS TRAVEL IS GENERALLY NOT ALLOWED FOR FLIGHTS LESS THAN 6 CONTINUOUS HOURS ALL TRAVEL MUST BE APPROVED BEFORE ANY ARRANGEMENTS ARE MADE THE DUTIES TO BE PERFORMED BY OUR PRESIDENT REQUIRE HIM TO BE ON CALL AND TO PERFORM DUTIES AS AND WHEN APPROPRIATE DURING HIS OFF-DUTY PERIODS AS WELL AS DURING NORMAL OFFICE HOURS AN EMPLOYMENT CONTRACT REQUIRES OUR PRESIDENT TO LIVE IN THE OFFICIAL RESIDENCE OWNED AND MAINTAINED BY THE INSTITUTION THE CONTRACT REQUIRES OUR PRESIDENT TO USE THE RESIDENCE FOR INSTITUTIONAL PURPOSES, INCLUDING, BUT NOT LIMITED TO, MEETINGS WITH AND ENTERTAINMENT OF STAFF, DONORS AND POTENTIAL DONORS, VISITING PROFESSORS AND SCIENTISTS, AND OTHER PERSONS INVOLVED WITH THE AFFAIRS OF THE INSTITUTION, CONFIDENTIAL INTERVIEWS WITH MEMBERS AND PROSPECTIVE MEMBERS OF THE STAFF, AND FOR OTHER INSTITUTIONAL ACTIVITIES CONDUCTED DURING AND OUTSIDE OF NORMAL OFFICE HOURS THE BENEFIT IS TREATED IN ACCORDANCE WITH CODE SECTION 119 SCHEDULE J,PART I, LINE 4B THE INSTITUTION MAINTAINS A NONQUALIFIED DEFERRED COMPENSATION PLAN WHICH IS USED FOR EMPLOYER CONTRIBUTIONS IN EXCESS OF THOSE ALLOWED BY THE RETIREMENT PLAN DR SHAH RECEIVED \$1,763,670 DISTRIBUTION FROM THE NONQUALIFIED DEFERRED COMPENSATION PLAN AND \$10,000 OF EXCESS 403B BENEFITS THAT WERE REPORTED AS COMPENSATION IN A PRIOR YEAR AND ARE TAXABLE IN THE CURRENT YEAR PART I LINE 8 AN EMPLOYMENT CONTRACT WAS ENTERED INTO AND SIGNED PRIOR TO EMPLOYMENT SCHEDULE J, PART III GRANDFATHERED MSKCC DEFERRED COMPENSATION PLANS Included in Other Reportable Compensation are certain distributions from deferred compensation plans that the Institution maintains for certain management and HIGHLY COMPENSATED employees These grandfathered plans were adopted in the early and mid-1980s and have been closed to new participants since August 16, 1986 The grandfathered plans allowed participants to irrevocably defer portions of their approved salary until certain conditions were met, typically retirement or disability In addition, the Institution made contributions to the plans to the extent contributions to the MSKCC Retirement Plan for such participants were limited by applicable contribution limits under the Internal Revenue Code The Institution provided participants with the opportunity to receive distributions as permitted under Section 409A of the Internal Revenue Code This opportunity was exercised by numerous participants These distributed amounts are reported as W-2 compensation 100 percent of these amounts reflect the deferral of a portion of the participant's approved compensation package and related investment experience since the commencement of an individual's plan participation As contributions were made to these plans for previous periods, the contribution amounts were reported on Form 990 for the applicable period as contributions to deferred compensation plans with respect to officers, key employees, and other highest paid employees These amounts, as adjusted for investment experience, are reported again now on Form 990 as distributions from the plans

Additional Data

Software ID:
Software Version:
EIN: 91-2154267
Name: Memorial Sloan-Kettering Cancer Center

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOHN R GUNN SEE SCHEDULE O	(i) (ii)	1,023,992 0	584,319 0	69,220 0	39,900 0	39,915 0	1,757,346 0	20,000 0
MICHAEL P GUTNICK SEE SCHEDULE O	(i) (ii)	858,870 0	573,418 0	47,300 0	39,900 0	46,546 0	1,566,034 0	20,000 0
MARK SVENNINGSON SEE SCHEDULE O	(i) (ii)	526,765 0	107,200 0	83,144 0	39,900 0	35,445 0	792,454 0	20,000 0
ERIC M COTTINGTON SEE SCHEDULE O	(i) (ii)	444,830 0	215,270 0	57,585 0	39,900 0	36,548 0	794,133 0	18,054 0
MURRAY BRENNAN MD SEE SCHEDULE O	(i) (ii)	913,222 0	0 0	53,510 0	27,674 0	60,903 0	1,055,309 0	10,000 0
THOMAS KELLY MD SEE SCHEDULE O	(i) (ii)	858,416 0	414,162 0	20,000 0	40,090 0	47,826 0	1,380,494 0	20,000 0
MAUREEN KILLACKEY SEE SCHEDULE O	(i) (ii)	558,079 0	0 0	25,197 0	26,071 0	23,027 0	632,374 0	20,000 0
JASON KLEIN SEE SCHEDULE O	(i) (ii)	729,109 0	500,000 0	30,163 0	539,900 0	37,720 0	1,836,892 0	20,000 0
KATHY LEWIS EPSTEIN SEE SCHEDULE O	(i) (ii)	47,346 0	90,948 0	5,316 0	3,810 0	1,212 0	148,632 0	5,316 0
EDWARD MAHONEY SEE SCHEDULE O	(i) (ii)	487,707 0	231,750 0	30,810 0	39,900 0	25,222 0	815,389 0	20,000 0
KENNETH MARIANS SEE SCHEDULE O	(i) (ii)	486,643 0	60,000 0	25,536 0	39,900 0	34,301 0	646,380 0	20,000 0
KATHRYN MARTIN SEE SCHEDULE O	(i) (ii)	833,355 0	557,189 0	72,201 0	39,900 0	38,343 0	1,540,988 0	20,000 0
ELLEN MILLER-SONET SEE SCHEDULE O	(i) (ii)	285,036 0	80,041 0	24,324 0	18,226 0	35,548 0	443,175 0	1,680 0
RICHARD K NAUM SEE SCHEDULE O	(i) (ii)	403,334 0	444,825 0	26,721 0	36,087 0	32,440 0	943,407 0	13,965 0
LARRY NORTON MD SEE SCHEDULE O	(i) (ii)	591,179 0	115,054 0	22,466 0	29,483 0	30,140 0	788,322 0	10,000 0
ROGER PARKER SEE SCHEDULE O	(i) (ii)	423,933 0	190,176 0	26,463 0	37,440 0	12,150 0	690,162 0	13,035 0
PATRICIA C SKARULIS SEE SCHEDULE O	(i) (ii)	592,508 0	282,440 0	20,000 0	39,900 0	11,513 0	946,361 0	20,000 0
ROBERT WITTES MD SEE SCHEDULE O	(i) (ii)	128,179 0	0 0	0 0	10,273 0	1,140 0	139,592 0	0 0
GEORGE BOSL MD SEE SCHEDULE O	(i) (ii)	943,969 0	25,000 0	39,519 0	39,900 0	32,956 0	1,081,344 0	20,000 0
HEDVIG HRICAK MD SEE SCHEDULE O	(i) (ii)	1,257,364 0	0 0	147,703 0	27,722 0	44,145 0	1,476,934 0	10,000 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ANNE MCSWEENEY SEE SCHEDULE O	(i) (ii)	432,167 0	254,434 0	23,832 0	29,701 0	39,737 0	779,871 0	8,703 0
SIMON NICHOLAS POWELL MD SEE SCHEDULE O	(i) (ii)	1,395,422 0	0 0	171,400 0	27,602 0	41,119 0	1,635,543 0	10,000 0
PETER T SCARDINO MD SEE SCHEDULE O	(i) (ii)	1,397,504 0	500,000 0	39,766 0	30,150 0	44,940 0	2,012,360 0	10,000 0
JATIN SHAH MD SEE SCHEDULE O	(i) (ii)	1,089,816 0	0 0	1,812,777 0	22,500 0	55,627 0	2,980,720 0	1,773,670 0
PETER G CORDEIRO MD SEE SCHEDULE O	(i) (ii)	1,291,085 0	0 0	60,693 0	30,150 0	38,582 0	1,420,510 0	10,000 0
PHILIP GUTIN MD SEE SCHEDULE O	(i) (ii)	2,557,240 0	0 0	39,718 0	22,750 0	29,961 0	2,649,669 0	10,000 0
JOSEPH DISA MD SEE SCHEDULE O	(i) (ii)	1,240,694 0	0 0	47,103 0	30,150 0	38,438 0	1,356,385 0	10,000 0
CRAIG B THOMPSON MD SEE SCHEDULE O	(i) (ii)	1,469,856 0	840,000 0	35,444 0	39,900 0	188,885 0	2,574,085 0	20,000 0
CAROLYN B LEVINE SEE SCHEDULE O	(i) (ii)	278,884 0	61,000 0	54,153 0	21,760 0	19,257 0	435,054 0	313 0
JOSE BASELGA MD SEE SCHEDULE O	(i) (ii)	897,206 0	0 0	49,966 0	39,900 0	36,841 0	1,023,913 0	0 0
KERRY BESSEY SEE SCHEDULE O	(i) (ii)	518,971 0	100,000 0	11,108 0	39,900 0	36,691 0	706,670 0	480 0
MARK BILSKY MD SEE SCHEDULE O	(i) (ii)	1,694,840 0	0 0	59,342 0	330,150 0	33,607 0	2,117,939 0	10,000 0
AVICE MEEHAN SEE SCHEDULE O	(i) (ii)	325,242 0	75,000 0	103,717 0	24,140 0	21,156 0	549,255 0	10,000 0
EDWIN TALIAFERRO SEE SCHEDULE O	(i) (ii)	248,833 0	0 0	1,566 0	19,309 0	32,546 0	302,254 0	0 0
RICHARD BARAKAT MD SEE SCHEDULE O	(i) (ii)	871,554 0	0 0	57,494 0	30,150 0	36,371 0	995,569 0	0 0
PAUL SABBATINI MD SEE SCHEDULE O	(i) (ii)	459,926 0	107,500 0	9,427 0	30,150 0	10,421 0	617,424 0	12,940 0
MICHELLE BURKE SEE SCHEDULE O	(i) (ii)	287,290 0	50,000 0	5,555 0	23,811 0	12,706 0	379,362 0	7,804 0
ELIZABETH MC CORMICK SEE SCHEDULE O	(i) (ii)	385,180 0	100,000 0	14,980 0	33,790 0	14,541 0	548,491 0	2,514 0
CYNTHIA MC COLLUM SEE SCHEDULE O	(i) (ii)	381,643 0	100,000 0	14,980 0	33,790 0	26,331 0	556,744 0	12,230 0
MARGARET BURKE SEE SCHEDULE O	(i) (ii)	370,438 0	125,000 0	51,376 0	32,618 0	32,348 0	611,780 0	12,230 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
WENDY PERCHICK SEE SCHEDULE O	(i)	387,347	165,030	16,475	33,979	15,225	618,056	9,507
	(ii)	0	0	0	0	0	0	0
CHARLES LUCARELLI DIRECTOR PHARMACY	(i)	260,428	35,000	3,365	21,072	34,760	354,625	12,230
	(ii)	0	0	0	0	0	0	0
JEFFREY HENSLEY ASSOC HOSPITAL ADMINISTRATOR	(i)	288,795	75,000	3,207	24,444	24,976	416,422	569
	(ii)	0	0	0	0	0	0	0

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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 DORMITORY AUTHORITY OF THE STATE OF NEW YORK	14-6000293	64983QS83	06-29-2006	102,783,274	SEE PART VI		X		X		X
B DORMITORY AUTHORITY OF THE STATE OF NEW YORK	14-6000293	64983QT25	06-29-2006	114,610,323	SEE PART VI		X		X		X
C DORMITORY AUTHORITY OF THE STATE OF NEW YORK	14-6000293	649903B91	05-13-2008	456,109,226	SEE PART VI		X		X		X
D DORMITORY AUTHORITY OF THE STATE OF NEW YORK	14-6000293		08-13-2009	75,000,000	SEE PART VI		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0		63,363,371	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	112,974,138		123,916,313		456,110,736		75,002,371	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		77,993,404		0		0	
7	Issuance costs from proceeds	1,525,106		1,762,909		6,109,226		0	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	111,449,032		0		0		75,002,371	
11	Other spent proceeds	0		44,160,000		450,001,510		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	2009							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?		X		X	X			X
15	Were the bonds issued as part of an advance refunding issue?		X	X			X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

		A		B		C		D	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			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?								
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?		X		X				X
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	0 %		0 %		0 %		0 %	
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 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
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?		X		X				X
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		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X			X	X	
b	Exception to rebate?		X		X		X		X
c	No rebate due?		X		X	X			X
	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		X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

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		X
b	Name of provider	0		0		0		0	
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		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		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		X		X	

Part VI

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

Return Reference	Explanation
1	PART I COL (F) DESCRIPTION OF PURPOSE 2006 SERIES I BONDS CUSIP #64983QS83 2006 SERIES I BONDS WERE USED TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COST OF THE FOLLOWING BEGAN CONSTRUCTION ON A NEW EIGHT-STORY RESEARCH FACILITY, COMPLETED THE 23 STORY RESEARCH FACILITY, PURCHASED 96 RESIDENTIAL CONDOMINIUM APARTMENTS FOR STAFF OF THE INSTITUTION, IMPROVE A 13-STORY RESEARCH FACILITY 2006 SERIES II BONDS CUSIP #64983QT25 2006 SERIES II BONDS WERE USED TO ADVANCE REFUND A PORTION OF THE 2003 BONDS ISSUED ON MAY 14, 2003 2008 SERIES I BONDS CUSIP #649903B91 2008 SERIES BONDS WERE USED TO ADVANCE REFUND A PORTION OF THE 2002A BONDS ISSUED IN JANUARY 24, 2002 2009 TAX EXEMPT LEASING PROGRAM (TELP) 2009 TELP WAS USED TO LEASE FINANCE MEDICAL AND RESEARCH LABORATORY EQUIPMENT 2012 SERIES BONDS CUSIP 649906RK2 A PORTION OF THE PROCEEDS FROM THE SALE OF THE SERIES 2012 BONDS, TOGETHER WITH OTHER AVAILABLE FUNDS, IS EXPECTED TO BE USED TO FINANCE ALL OR A PORTION OF THE COST OF CONSTRUCTING, IMPROVING AND EQUIPPING A NEW AMBULATORY CARE FACILITY IN HARRISON, NEW YORK THE REMAINDER OF THE BOND PROCEEDS WERE USED TO ADVANCE REFUND THE 2003 BONDS ISSUED ON MAY 14, 2003 2013 SERIES I BONDS CUSIP #6499053Z7 2013 SERIES BONDS ARE EXPECTED TO BE USED TO FINANCE ALL OR A PORTION OF THE COST OF CONSTRUCTING AND EQUIPPING A NEW AMBULATORY CARE FACILITY IN MANHATTAN, NEW YORK PART II LINE 3 TOTAL AMOUNT OF PROCEEDS THE AMOUNT OF PROCEEDS ON PART II LINE 3 IS DIFFERENT FROM PART I COLUMN (E) BECAUSE PART II LINE 3 INCLUDES INVESTMENT INCOME PART III, LINE 3 (D) ANY RESEARCH AGREEMENTS THAT MAY RESULT IN PRIVATE BUSINESS USE OF BOND FINANCED PROPERTIES ARE REVIEWED FIRST BY IN-HOUSE STAFF WHO ARE KNOWLEDGEABLE AND RESPONSIBLE FOR THE FORM 990 OUTSIDE COUNSEL IS CONSULTED IF QUESTIONS ARISE PART IV, LINE 2 (C) ARBITRAGE THE REBATE COMPUTATION ON THE 2008 BOND ISSUES WERE PERFORMED IN MAY 2013

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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	DORMITORY AUTHORITY OF THE STATE OF NEW YORY	14-6000293	649906RK2	02-16-2012	388,814,944	SEE PART VI		X		X		X
B	DORMITORY AUTHORITY OF THE STATE OF NEW YORK	14-6000293	6499063Z7	06-28-2013	80,000,000	SEE PART VI		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		2,000,000					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	389,666,707		80,323,493					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	7,803,422		0					
6	Proceeds in refunding escrows	0		0					
7	Issuance costs from proceeds	2,651,698		0					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	49,935,855		23,838,935					
11	Other spent proceeds	288,922,724		0					
12	Other unspent proceeds	40,353,008		56,484,558					
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?	X			X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

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						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?	X							
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 ▶	0 %		0 %					
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 %							
6	Total of lines 4 and 5	0 %							
7	Does the bond issue meet the private security or payment test?		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				
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?		X		X				
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					

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				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X					
b	Exception to rebate?		X		X				
c	No rebate due?		X		X				
	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				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider	0		0					
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

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				
b	Name of provider	0		0					
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				
7	Has the organization established written procedures to monitor the requirements of section 148?	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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) Hedvig Hricak MD	CHAIR DPT RADIOLOGY	MORTGAGE		X	700,000	200,000		No	Yes		Yes	
Total ▶ \$						200,000						

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
See Additional Data Table					

Part V Supplemental Information	
Provide additional information for responses to questions on Schedule L (see instructions)	
Return Reference	Explanation
FORM 990, SCHEDULE L, PART IV	1 MR STEPHEN FRIEDMAN IS A BOARD MEMBER OF THE INSTITUTION THE INSTITUTION PURCHASED ARCHITECTURAL SERVICES FROM THE FIRM OF PERKINS/EASTMAN THE TOTAL AMOUNT PAID IN 2013 WAS \$25,851,686 MR PERKINS AND MR FRIEDMAN ARE BROTHERS-IN-LAW 2 MR DOUGLAS A WARNER III IS CHAIRMAN OF THE BOARD OF THE INSTITUTION MR WARNER IS ALSO A DIRECTOR OF GENERAL ELECTRIC DURING 2013 THE INSTITUTION PURCHASED MEDICAL EQUIPMENT AND SERVICES FROM G E IN THE AMOUNT OF \$11,900,924 3 DR CRAIG THOMPSON IS PRESIDENT OF THE INSTITUTION, AND IS ON THE BOARD OF DIRECTORS OF MERCK AND HAS BEEN SINCE 2008 FROM TIME TO TIME, MEMORIAL SLOAN-KETTERING ENTERS INTO DIRECT CONTRACTS WITH MERCK DURING 2013, THE VALUE OF THESE CONTRACTS APPROXIMATED \$4,174,890 4 DURING 2013 THE INSTITUTE RECEIVED \$1,000,015 OF ROYALTIES FROM A LICENSE AGREEMENT WITH MERCK 5 IN DECEMBER 2013, DR THOMPSON JOINED THE BOARD OF DIRECTORS AT CHARLES RIVER LABORATORIES DURING 2013, MEMORIAL-SLOAN KETTERING MADE PURCHASES TOTALING \$951,523 6 DR THOMPSON'S SPOUSE IS A LABORATORY MEMBER IN SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH HER COMPENSATION FOR 2013 WAS \$187,966 7 MR MICHAEL P GUTNICK IS THE EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER HIS SON IS A FUND COORDINATOR IN THE DIVISION OF MEDICINE HIS SON'S TOTAL COMPENSATION FOR 2013 WAS \$79,242 8 MS VIRGINIA M ROMETTY IS A BOARD MEMBER OF THE INSTITUTION AND PRESIDENT AND CEO OF IBM DURING 2013, THE INSTITUTION PURCHASED SERVICES AND EQUIPMENT FROM IBM TOTALING \$2,616,483 Additionally, Memorial Sloan-Kettering Cancer Center, IBM and WellPoint have a unique agreement to develop a powerful cancer resource built upon the famous "IBM Watson" that will have the potential to advance the quality of oncology care for patients wherever they are treated This joint project aims to build the world's most comprehensive, cancer-specific, evidence-based medical resource MSK will share our clinical knowledge, research, and genomic and molecular data, along with continuously updated standards of care and other published data, to help populate the Watson system with the most-current cancer diagnostic and treatment information Then, our physicians will "train" the IBM Watson system to evaluate and synthesize the vast stores of clinical information and the collective wisdom and knowledge of MSKCC's cancer experts 9 MR WILLIAM E FORD IS A BOARD MEMBER OF THE INSTITUTION AND A PARTNER IN GENERAL ATLANTIC INVESTMENTS DURING 2013, THE INSTITUTION PAID GENERAL ALANTIC \$831,000 IN MANAGEMENT FEES 10 MS JAMIE NICHOLLS IS A BOARD MEMBER OF THE INSTITUTION HER SPOUSE IS A CO-FOUNDER OF KING STREET CAPITAL MANAGEMENT DURING 2013, THE INSTITUTION PAID KING STREET \$645,000 IN MANAGEMENT FEES 11 MS ELLEN FUTTER IS A BOARD MEMBER OF THE INSTITUTION AND A DIRECTOR OF JP MORGAN CHASE DURING 2013, THE INSTITUTION PAID FEES TO JP MORGAN CHASE TOTALING \$934,583 12 MR NORMAN C SELBY IS A BOARD MEMBER WITHIN THE ORGANIZATION HIS SON IS A RESEARCH FELLOW IN THE DEPARTMENT OF SURGERY HIS SON'S TOTAL COMPENSATION FOR 2013 WAS \$29,255 THE INDIVIDUALS LISTED WERE NOT A PARTY TO THE TRANSACTIONS THERE IS NO SHARING OF THE INSTITUTION'S REVENUE THE PURCHASES OF GOODS OR SERVICES BY THE INSTITUTION WERE MADE IN THE ORDINARY COURSE OF THE PROVIDER'S BUSINESS, AT COMMERCIALY AVAILABLE RATES

Additional Data

Software ID:
Software Version:
EIN: 91-2154267
Name: Memorial Sloan-Kettering Cancer Center

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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) PERKINS EASTMAN	SEE PART V	25,851,686	ARCHITECTUAL SERVICES		No
(2) GENERAL ELECTRIC	SEE PART V	11,900,924	SERVICE/PURCHASE OF EQUIPMENT		No
(3) MERCK	SEE PART V	4,174,890	PURCHASE OF PHARMACEUTICALS		No
(4) Merck	SEE PART V	1,000,015	ROYALTY		No
(5) CHARLES RIVER LABORATORIES	SEE PART V	951,526	PURCHASE OF SUPPLIES		No
(6) MS T LINDSTEN	SEE PART V	187,966	FAMILY EMPLOYMENT		No
(7) MR I GUTNICK	SEE PART V	79,242	FAMILY EMPLOYMENT		No
(8) IBM CORPORATION	SEE PART V	2,616,483	SERVICE/PURCHASE OF EQUIPMENT		No
(9) GENERAL ATLANTIC	SEE PART V	831,000	INVESTMENT MANAGEMENT FEES		No
(10) KING STREET CAPITAL MANAGEMENT	SEE PART V	645,000	INVESTMENT MANAGEMENT FEES		No
(11) JP MORGAN CHASE	SEE PART V	934,583	BANK FEES		No
(12) MR L SELBY	SEE PART V	29,255	FAMILY EMPLOYMENT		No

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		1,403,571	THRIFT VALUE
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	73	4,398,143	MARKET VALUE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2013)

Part II

Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
LINE 9	EXCLUDED FROM THIS VALUE ARE PLEDGE PAYMENTS, MADE BY STOCK, TOTALING \$15,145,274 PROMISES TO GIVE ARE REPORTED AT THE DATE THE INTENT IS MADE IN WRITING
LINE 32B	CLOTHING AND HOUSEHOLD GOODS ARE DONATED AT OUR THRIFT SHOP THE SOCIETY OF MSKCC RUNS THE THRIFT SHOP FOR THE BENEFIT OF THE ORGANIZATION PUBLICLY TRADED DONATED STOCK IS SOLD BY MERRILL LYNCH ON BEHALF OF MEMORIAL SLOAN-KETTERING CANCER CENTER AND ITS AFFILIATED ORGANIZATIONS

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
Memorial Sloan-Kettering Cancer Center

Employer identification number

91-2154267

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 11B, PROCESS USED TO REVIEW THE RETURN	

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
Memorial Sloan-Kettering Cancer Center

Employer identification number
91-2154267

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	No
(1) RALPH LAUREN CTR FOR CANCER & PREVENTION 1919 MADISON AVE NEW YORK, NY 10036	CANCER CARE	NY	501(C)3	9	MSKCC	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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	
See Additional Data Table												

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	No
(1) CHARITABLE REMAINDER TRUSTS 172			N/A						

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b	Yes	
1c		No
1d		No
1e		No
1f		
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m		No
1n		No
1o		No
1p		No
1q	Yes	
1r		No
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			

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.

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 91-2154267

Name: Memorial Sloan-Kettering Cancer Center

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MEM CRITICAL CARE 1275 YORK AVE NY, NY 10065 13-3348785	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM INFECT DISEASE 1275 YORK AVE NY, NY 10065 13-3278582	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM MEDICAL CONSULT 1275 YORK AVE NY, NY 10065 13-3278550	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM NUTRITION GRP 1275 YORK AVE NY, NY 10065 13-3278576	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM SOLID TUMOR GRP 1275 YORK AVE NY, NY 10065 13-3278578	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PULMONARY FUNC 1275 YORK AVE NY, NY 10065 13-3304834	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM CARDIOPULMONARY 1275 YORK AVE NY, NY 10065 13-3278552	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK RADIOLOGY GRP 1275 YORK AVE NY, NY 10065 13-3375559	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM NUCLEAR MED 1275 YORK AVE NY, NY 10065 13-3278580	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM RADIATION ONCOL 1275 YORK AVE NY, NY 10065 13-3237927	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PATHOLOGY GRP 1275 YORK AVE NY, NY 10065 13-3365998	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM ANESTHESIOLOGY 1275 YORK AVE NY, NY 10065 13-3367135	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PEDIATRICS GRP 1275 YORK AVE NY, NY 10065 13-3346908	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM NEUROLOGY GRP 1275 YORK AVE NY, NY 10065 13-3399377	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PSYCHIATRY GRP 1275 YORK AVE NY, NY 10065 13-3430629	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Dispropportionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MSK AT GUTTMAN 1275 YORK AVE NY, NY 10065 13-3875002	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK PHYS AT PHELPS 1275 YORK AVE NY, NY 10065 13-3897156	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK AT MERCY 1275 YORK AVE NY, NY 10065 13-3954858	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK PHYS-ST CLARE'S 1275 YORK AVE NY, NY 10065 13-3897154	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK REHABILITATION 1275 YORK AVE NY, NY 10065 13-4010371	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK SURGERY GROUP 1275 YORK AVE NY, NY 10065 13-4010372	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK HAUPPAUGE 1275 YORK AVE NY, NY 10065 13-4059247	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM NEUROSURGERY 1275 YORK AVE NY, NY 10065 13-3251621	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
INTERGRATIVE MED 1275 YORK AVE NY, NY 10065 54-2092060	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK-REGIONAL NETWK 1275 YORK AVE NY, NY 10065 02-0594889	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK BASKING RIDGE 1275 YORK AVE NY, NY 10065 59-3801080	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM URGENT CARE GRP 1275 YORK AVE NY, NY 10065 65-1263291	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM CLN GENETICS 1275 YORK AVE NY, NY 10065 65-1263292	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM DEVELOP CHEMO 1275 YORK AVE NY, NY 10065 13-3278548	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MSK CLINIC PRACTICE 1275 YORK AVE NY, NY 10065 51-0616510	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Dispropportionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MEM BREAST GROUP 1275 YORK AVE NY, NY 10065 56-2568640	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM COLORECTAL GRP 1275 YORK AVE NY, NY 10065 56-2568642	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM DENTAL GRP 1275 YORK AVE NY, NY 10065 56-2568630	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM CLINICAL IMMUNO 1275 YORK AVE NY, NY 10065 13-3278559	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM GASTRIC MIX TMR 1275 YORK AVE NY, NY 10065 56-2568650	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM GYNECOLOGY GRP 1275 YORK AVE NY, NY 10065 56-2568655	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM HEAD & NECK GRP 1275 YORK AVE NY, NY 10065 56-2568656	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM HEPATOBIILIARY 1275 YORK AVE NY, NY 10065 56-2568667	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM NEUROSURGERY 1275 YORK AVE NY, NY 10065 56-2568663	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM OPT ABRAMSON 1275 YORK AVE NY, NY 10065 56-2568627	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM OPHTHALMIC ONOCO 1275 YORK AVE NY, NY 10065 56-2568675	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM OPHTHALMOLOGY 1275 YORK AVE NY, NY 10065 56-2568669	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM ORTHOPEDIC GRP 1275 YORK AVE NY, NY 10065 56-2568680	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PEDIATRIC SURG 1275 YORK AVE NY, NY 10065 56-2568683	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM CLINICAL PHY 1275 YORK AVE NY, NY 10065 13-3278556	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Dispropportionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MEM PLASTIC RECON 1275 YORK AVE NY, NY 10065 56-2568623	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM THORACIC GRP 1275 YORK AVE NY, NY 10065 56-2568677	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM UROLOGY GRP 1275 YORK AVE NY, NY 10065 56-2568638	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM PAIN SERVICE 1275 YORK AVE NY, NY 10065 65-1283822	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM DERMATOLOGY GRP 1275 YORK AVE NY, NY 10065 13-3278581	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM ENDOCRINE GRP 1275 YORK AVE NY, NY 10065 13-3278583	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
GASTROENTEROLOGY 1275 YORK AVE NY, NY 10065 13-3278574	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %
MEM HEMATOLOGYLYMP 1275 YORK AVE NY, NY 10065 13-3278575	HEALTH CARE	NY	MEM	RELATED	0	0		No	0	Yes		100 000 %

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
MEMORIAL SLOAN-KETTERING CANCER CENTER	L	418,273,000	COST
MEMORIAL SLOAN-KETTERING CANCER CENTER	K	13,516,000	COST
MEMORIAL HOSPITAL FOR CANCER & ALLIED DISEASE	L	40,587,000	COST
MEMORIAL HOSPITAL FOR CANCER & ALLIED DISEASE	K	355,355,000	COST
SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH	L	17,000	COST
SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH	K	115,600,000	COST
SKI REALTY INC	L	11,472,000	COST
SKI REALTY INC	K	2,472,000	COST
LOUIS V GERSTNER JR GRADUATE SCHOOL	K	390,000	COST
RALPH LAUREN CTR FOR CANCER & PREVENTION	Q	2,581,000	COST
RALPH LAUREN CTR FOR CANCER & PREVENTION	B	1,000,000	COST

COMBINED FINANCIAL STATEMENTS

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations
Years Ended December 31, 2013 and 2012
With Report of Independent Auditors

ENCLAVE



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Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Financial Statements

Years Ended December 31, 2013 and 2012

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Board of Managers
Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Management's Responsibility for the Financial Statements

Auditor's Responsibility

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.



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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, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Institution at December 31, 2013 and 2012, and the combined results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

April 24, 2014

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Balance Sheets

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
Assets		
Current assets		
Cash and cash equivalents <i>(Notes 1 and 3)</i>	\$ 398,598	\$ 313,850
Short-term investments – at fair value <i>(Notes 1 and 3)</i>	181,381	183,383
Accounts receivable, less allowance for doubtful accounts (2013 – \$104,179, 2012 – \$89,879) <i>(Note 2)</i>	477,670	426,469
Pledges, trusts and estates receivable <i>(Note 1)</i>	153,069	134,703
Other current assets	81,732	89,878
Total current assets	1,292,450	1,148,283
Noncurrent assets		
Assets whose use is limited		
Investments in marketable securities – at fair value		
Construction, debt service and repair reserve funds <i>(Notes 1, 3 and 5)</i>	198,017	123,222
Captive insurance funds <i>(Notes 3 and 8)</i>	44,213	41,092
Employee benefit funds <i>(Notes 1, 6 and 7)</i>	67,136	60,855
Total investments in marketable securities whose use is limited	309,366	225,169
Investments – at fair value <i>(Notes 1 and 3)</i>	3,302,684	3,739,419
Investments internally designated for major capital projects <i>(Note 5)</i>	820,997	–
Investments in nonmarketable securities at cost <i>(Note 1)</i>	85,492	113,564
Property and equipment – net <i>(Notes 1, 4 and 5)</i>	2,228,299	2,221,313
Mortgages and other loans receivable	29,629	30,494
Pledges, trusts and estates receivable <i>(Note 1)</i>	354,816	276,107
Other noncurrent assets	57,685	41,259
Total noncurrent assets	7,188,968	6,647,325
Total assets	\$ 8,481,418	\$ 7,795,608
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 228,267	\$ 252,763
Accrued expenses	275,302	231,162
Current portion of long-term debt and capital lease obligations <i>(Note 5)</i>	51,067	49,918
Total current liabilities	554,636	533,843
Noncurrent liabilities		
Long-term debt and capital lease obligations, less current portion <i>(Note 5)</i>	2,046,964	2,103,310
Other noncurrent liabilities <i>(Notes 6, 7, 8 and 11)</i>	735,844	925,403
Total liabilities	3,337,444	3,562,556
Net assets		
Unrestricted		
Undesignated	3,734,488	3,022,730
Board-designated	197,955	252,127
Total unrestricted	3,932,443	3,274,857
Temporarily restricted <i>(Note 1)</i>	656,237	500,568
Permanently restricted <i>(Note 1)</i>	555,294	457,627
Total net assets	5,143,974	4,233,052
Total liabilities and net assets	\$ 8,481,418	\$ 7,795,608

See notes to combined financial statements

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	Year Ended December 31	
	2013	2012
	<i>(In Thousands)</i>	
Undesignated operating revenues		
Hospital care and services	\$ 1,929,716	\$ 1,794,236
Medical practice	438,015	407,705
Grants and contracts	202,061	185,160
Contributions allocated to operations	164,943	144,497
Royalty income	94,058	78,350
Other income	57,150	51,167
Investment returns allocated to operations	82,028	75,877
Transfer of Board-designated annual royalty annuitization	57,495	51,709
Total operating revenues	<u>3,025,466</u>	<u>2,788,701</u>
Operating expenses		
Salaries and wages	1,128,334	1,054,531
Physicians' practice compensation	170,000	159,460
Employee fringe benefits	391,167	368,221
Purchased supplies and services	576,471	547,344
Pharmaceuticals	348,220	331,875
Depreciation and amortization	210,373	210,810
Provision for bad debts and regulatory assessments	19,969	17,541
Interest	55,039	54,894
Total expenses	<u>2,899,573</u>	<u>2,744,676</u>
Less fund raising expenses transferred to nonoperating income and expenses	<u>(52,470)</u>	<u>(47,305)</u>
Total operating expenses	<u>2,847,103</u>	<u>2,697,371</u>
Income from operations	<u>178,363</u>	<u>91,330</u>
Nonoperating income and expenses, net		
Contributions, net of fundraising expenses and amount allocated to operations	(79,070)	(63,548)
Net assets released from restrictions	85,813	96,716
Investment returns, net of allocation to operations and transfers to temporarily restricted net assets	292,832	208,286
Other nonoperating income and expenses, net	25,469	(38,000)
Total nonoperating income and expenses, net	<u>325,044</u>	<u>203,454</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>503,407</u>	<u>294,784</u>
Board-designated		
Investment income and other additions	3,323	2,182
Transfer of annual royalty annuitization	(57,495)	(51,709)
Decrease in Board-designated	<u>(54,172)</u>	<u>(49,527)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	<u>449,235</u>	<u>245,257</u>
Change in postretirement benefit obligation to be recognized in future periods	208,351	(4,356)
Increase in total unrestricted net assets	<u>\$ 657,586</u>	<u>\$ 240,901</u>

See notes to combined financial statements

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Changes in Net Assets

Years Ended December 31, 2013 and 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	<i>(In Thousands)</i>			
Net assets at January 1, 2012	\$ 3,033,956	\$ 481,993	\$ 425,213	\$ 3,941,162
Increase in unrestricted net assets	240,901	—	—	240,901
Contributions, pledges and bequests	—	78,504	24,401	102,905
Investment return on endowments	—	36,787	8,013	44,800
Net assets released from restrictions	—	(96,716)	—	(96,716)
Net assets at December 31, 2012	3,274,857	500,568	457,627	4,233,052
Increase in unrestricted net assets	657,586	—	—	657,586
Contributions, pledges and bequests	—	185,470	56,687	242,157
Investment return on endowments	—	56,012	40,980	96,992
Net assets released from restrictions	—	(85,813)	—	(85,813)
Net assets at December 31, 2013	\$ 3,932,443	\$ 656,237	\$ 555,294	\$ 5,143,974

See notes to combined financial statements.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Cash Flows

	Year Ended December 31	
	2013	2012
	<i>(In Thousands)</i>	
Operating activities		
Change in net assets	\$ 910,922	\$ 291,890
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	210,373	210,810
Equity in earnings of investments in real estate, net	(338)	(344)
Gain on sale of property	(62,195)	—
Unrealized net gains	(269,151)	(236,505)
Realized net gains	(176,739)	(66,161)
Amortization of bond premium	(3,279)	27,286
Temporarily and permanently restricted contributions, pledges and bequests transferred to investing activities	(242,157)	(102,905)
Change in postretirement benefit obligation to be recognized in future periods	(208,351)	4,356
Changes in assets		
Accounts receivable, net	(51,201)	15,622
Pledges, trusts and estates receivable, net	(97,075)	(4,561)
Other current assets	8,146	(4,814)
Other noncurrent assets	(16,088)	(3,361)
Changes in liabilities		
Accounts payable and accrued expenses	26,883	22,814
Other noncurrent liabilities	20,253	18,901
Net cash provided by operating activities	<u>50,003</u>	<u>173,028</u>
Investing activities		
Net acquisitions of property and equipment	(315,282)	(258,613)
Proceeds from sale of property	151,418	—
Decrease (increase) in investments, net	7,505	(567,887)
Decrease (increase) in mortgages and other loans receivable	865	(3,054)
Temporarily and permanently restricted contributions, pledges and bequests transferred from operating activities	242,157	102,905
Net cash used in investing activities	<u>86,663</u>	<u>(726,649)</u>
Financing activities		
Proceeds from financing	—	946,930
Repayment of debt	(51,918)	(332,701)
Net cash (used in) provided by financing activities	<u>(51,918)</u>	<u>614,229</u>
Net change in cash and cash equivalents	84,748	60,608
Cash and cash equivalents at beginning of year	313,850	253,242
Cash and cash equivalents at end of year	<u>\$ 398,598</u>	<u>\$ 313,850</u>

See notes to combined financial statements

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements

December 31, 2013

1. Organization and Significant Accounting Policies

The mission of Memorial Sloan Kettering Cancer Center and Affiliated Corporations is to provide leadership in the prevention, treatment and cure of cancer through excellence, vision and cost effectiveness in patient care, outreach programs, research and education. The accompanying financial statements are presented on a combined basis and include the accounts of the following tax exempt, Section 501(c)(3), incorporated affiliates: Memorial Sloan Kettering Cancer Center (the Center), Memorial Hospital for Cancer and Allied Diseases (the Hospital), Sloan Kettering Institute for Cancer Research (the Institute), S.K.I. Realty, Inc., MSK Insurance US, Inc. (MSKI), the Louis V. Gerstner Jr. Graduate School of Biomedical Sciences, and MSK Proton, Inc. All of these entities are collectively referred to as the "Institution."

The functional expenses related to the fulfillment of the Institution's mission are

	Year Ended December 31	
	2013	2012
	<i>(In Thousands)</i>	
Patient care and medical education and training	\$ 2,300,167	\$ 2,191,360
Research	513,303	474,710
Fund raising	52,470	47,305
Management and general	33,633	31,301
	<u>\$ 2,899,573</u>	<u>\$ 2,744,676</u>

Total contributions and pledges raised through fund raising efforts were approximately \$380.5 million and \$231.2 million for 2013 and 2012, respectively.

The following is a summary of the Institution's significant accounting policies.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those where use by the Institution has been limited by donors because of a time or purpose restriction. Permanently restricted net assets have been restricted by donors to be maintained by the Institution in perpetuity.

Memorial Sloan Kettering Cancer Center and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Donor Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined financial statements 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 combined financial statements.

Contributions allocated to operations represent the utilization of donor funds which are intended to support the current period's operations based on budgeted guidelines. The balance of unrestricted philanthropy is reported as nonoperating income.

Cash and Cash Equivalents

The Institution considers as cash and cash equivalents, all current investments, cash and certain highly liquid investments with original maturities of less than three months.

Investments

Investments in marketable securities are carried at fair value, based on quoted market prices.

Investments in nonmarketable securities, at cost, consist of interests in businesses or other ventures acquired through donations whose cost is determined as fair value at date received.

Alternative investments are stated in the accompanying combined balance sheets at fair value, which is estimated using the net asset values, a practical expedient, of each alternative investment. Financial information used by the Institution to evaluate its alternative investments is provided by the investment manager or general partner and may include fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not always coincide with the Institution's annual financial statement reporting.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Realized gains or losses on investments sold or redeemed, together with unrealized appreciation or depreciation on investments and investment income are distributed to all categories of net assets, as appropriate. The total investment return (investment income and realized and unrealized gains and losses) is reflected in the accompanying combined statements of unrestricted activities in two portions. The investment return allocated to operating revenues is determined by application of a normal return to a three-year average market value of investments, excluding certain permanently restricted assets and certain other funds. The rate of allocation was 4% in 2013 and 2012. In addition, actual investment earnings on short-term fixed income funds are included in operating revenues. The investment return classified as nonoperating represents the difference between the actual total investment return and the amount allocated to operating revenues less amounts transferred to temporarily restricted net assets for endowments. Investment expenses, other than fees paid directly to investment managers, amounted to \$8.4 million and \$7.2 million in 2013 and 2012, respectively, and are included in the combined statements of unrestricted activities in investment returns, net of allocation to operations.

Investment returns, net of investment expenses, consist of the following:

	2013	2012
	<i>(In Thousands)</i>	
Investment income	\$ 29,285	\$ 28,479
Realized gains	176,739	66,161
Unrealized gains	269,151	236,505
Total	<u>\$ 475,175</u>	<u>\$ 331,145</u>

Unconditional Promises to Give

Unconditional promises to give are recorded when the gift intent is made known in writing. A receivable has been established and net assets have been increased by the time-discounted value of the promises. Irrevocable trusts are recorded at the point of notification and are recorded as temporarily or permanently restricted as determined by the trust instruments. Estates are estimated and recorded at the conclusion of probate.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

The Institution is aware of numerous unconditional promises to give and estimates the year of receipt to the extent possible. The anticipated present value of the receivable is as follows (in thousands):

2014	153,069
2015	76,306
2016	69,301
2017	29,464
2018	23,058
Thereafter	156,687
	<u>\$ 507,885</u>

The present value discount on unconditional promises to give is approximately \$68.1 million and \$39.6 million at December 31, 2013 and 2012, respectively.

Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and amortization. Depreciation on building components and equipment is computed on the straight-line method over the estimated useful service lives.

Leasehold improvements are being amortized over the term of the lease, based on the straight-line method.

The carrying amount of assets and the related accumulated depreciation or amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations.

All eligible costs incurred for the development of computer software for internal use are capitalized and carried at cost, less accumulated amortization. Amortization of capitalized internal use software cost is based on the straight-line method over the estimated useful life of the software.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Charity Care and Community Benefit Programs

Consistent with its mission, the Institution invests significant amounts for the benefit of the worldwide community that is served through its patient care, education and research activities. Listed below are quantifiable benefits provided:

Charity care represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity care patient in accordance with the Institution's established policies and where insufficient payment for such services is anticipated. For the periods presented, the Institution considers patients for charity care if household income is less than 500% of the federal poverty guidelines. Services provided as charity care are not reported as revenue in the combined statements of unrestricted activities. Costs of providing charity care are estimated by multiplying the total charges incurred by patients that qualify for charity care by a ratio of historical expenses to charges as derived from the Hospital's accounting records. The Institution receives payments from the New York State Public Goods Pool for charity care and such amounts totaled approximately \$10.2 million and \$13.4 million for the years ended December 31, 2013 and 2012, respectively. Payments made into the pool by the Institution were approximately \$7.1 million and \$5.5 million for the years ended December 31, 2013 and 2012, respectively.

In addition to the community benefit program services above, the Institution provides services to patients who participate in government-sponsored health programs, such as Medicare and Medicaid. Payments received by the Institution for patient services provided under these programs are less than the actual cost of providing such services. Therefore, to the extent Medicare and Medicaid payments are less than the cost of care provided, the uncompensated cost of that care is considered to be a community benefit.

Research community benefit costs represent the Institution's costs for basic, translational and clinical research.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

The Institution is a preeminent provider of health training to health professionals who desire training in the skills necessary to treat cancer patients. The Institution trains physicians, radiology students, nursing students, social work students and individuals looking to create career in the field of cancer biology. The amounts shown below represent costs in excess of amounts reimbursed by third-party payors such as training grant revenues and direct medical education payments from the Medicare program.

The following is a summary of the Institution's estimated costs of providing charity care and community benefit program services:

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
Charity care	\$ 19,584	\$ 13,648
Unpaid cost of government sponsored healthcare	204,413	180,445
Research supported by governmental/voluntary agencies	161,114	168,823
Other research	352,189	306,182
Health training	128,648	129,448
Other	19,605	16,002
Charity care and community benefit programs	<u>\$ 885,554</u>	<u>\$ 814,548</u>

Use of Estimates

The preparation of the combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make prudent and conservative estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Royalty Annuitization

The deferred gain on the sale of certain royalty rights is being recognized as a component of operating revenues over a ten-year period. The final annuitization will occur in 2015.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Endowments

The Institution follows the New York Prudent Management of Institutional Funds Act (NYPMIFA) which was enacted on September 17, 2010. The Institution has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the historic dollar value of permanently restricted contributions. The Institution classifies as permanently restricted net assets (a) the original value of the gifts donated, (b) the original value of subsequent gifts, (c) the net realizable value of future payments in accordance with the donor's gift instrument (outstanding pledges, net of applicable discount) and (d) appreciation (depreciation), gains (losses) and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in permanently restricted net assets. The endowment assets are pooled with unrestricted assets and invested in various diversified asset classes.

The Institution has a policy of appropriating for spending an annualized percentage of each permanently restricted fund's value, with certain exceptions. In establishing this policy, the Institution considered the long-term expected return on its investment portfolio. The spending rate appropriated by the Institution was 4% in 2013 and 2012.

The Institution's endowment investment returns in excess or deficit of the spending rate will be accumulated in a temporarily restricted net asset account, which is restricted by purpose. The temporarily restricted net asset account will be added to the permanently restricted fund's value in order to calculate the appropriation for spending.

To satisfy its long-term rate-of-return objectives, the Institution 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 Institution targets a diversified asset allocation (see Note 3) to achieve its long-term return objectives within prudent risk constraints.

As a result of fluctuations in the investment markets, from time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Institution to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2013 and 2012.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Changes in donor endowment funds for the years ended December 31, 2013 and 2012, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted
	<i>(In Thousands)</i>		
Endowment funds at December 31, 2012	\$ —	\$ 68,862	\$ 457,627
Investment return on endowments	28,946	56,012	40,980
Contributions	—	—	56,687
Appropriations	(28,946)	—	—
Endowment funds at December 31, 2013	<u>\$ —</u>	<u>\$ 124,874</u>	<u>\$ 555,294</u>

	Unrestricted	Temporarily Restricted	Permanently Restricted
	<i>(In Thousands)</i>		
Endowment funds at December 31, 2011	\$ —	\$ 32,075	\$ 425,213
Investment return on endowments	26,722	36,787	8,013
Contributions	—	—	24,401
Appropriations	(26,722)	—	—
Endowment funds at December 31, 2012	<u>\$ —</u>	<u>\$ 68,862</u>	<u>\$ 457,627</u>

Included in permanently restricted net assets are amounts that represent the Institution's beneficial interest in certain perpetual trusts which are held by third-party trustees. The underlying assets of the perpetual trusts are included in other noncurrent assets on the combined balance sheets and consist of equity securities and mutual funds. The fair value at December 31, 2013 was approximately \$7.9 million. The change in fair value of the beneficial interest in perpetual trusts held by third parties is included in the change in permanently restricted net assets.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Subsequent Events

Subsequent events have been evaluated through April 24, 2014 which is the date the combined financial statements were issued. Other than those disclosed elsewhere in the notes to the combined financial statements, no subsequent events have occurred that require disclosure in or adjustment to the combined financial statements.

Reclassifications

Certain reclassifications have been made to 2012 amounts previously reported in order to conform with the current year presentation.

2. Third-Party Reimbursement Programs

Hospital care and service revenues are recorded at established rates when patient services are performed. Reimbursement by third-party payor programs can be less than published charges, with adjustments for such differences recorded as contractual allowances deducted directly from accounts receivable and operating revenues in the year incurred. Adjustments from established rates are also recorded for potential retrospective adjustments, which are an inherent component of the health care revenue recognition process.

Non-Medicare Reimbursement

In New York State, hospitals and all non-Medicare payers, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payers are billed at hospitals' established charges. Medicaid pays hospital rates promulgated by the New York State Department of Health. Payments to the Hospital for Medicaid inpatient services are based on a prospective payment system, with retroactive adjustments. Outpatient services are paid based on a statewide prospective system that was effective December 1, 2008. Medicaid rate methodologies are subject to approval at the Federal level by the Centers for Medicare and Medicaid Services (CMS), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS are not recognized until the Hospital is reasonably assured that such amounts are realizable.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

2. Third-Party Reimbursement Programs (continued)

Adjustments to the current and prior years' payment rates for those payers will continue to be made in future years

Medicare Reimbursement

The Hospital is exempt from the national prospective payment system used to reimburse hospitals for inpatient services provided to Medicare beneficiaries and instead is paid using a cost-based methodology. These payments are subject to a limit that is based on costs from the mid 2000s for rate years beginning on or subsequent to January 1, 2007, which are then updated based on annual trend factors calculated by CMS. Prior to January 1, 2007, the limit was based on costs from the early 1990s. The Hospital is paid for outpatient services under the national prospective payment system and other methodologies of the Medicare program for certain other services. The outpatient payments are subject to a floor that ensures the Hospital receives at least 91% of its Medicare defined allowable outpatient costs effective January 1, 2012. The minimum payment was 80% in previous years. Federal regulations provide for certain adjustments to current and prior years' payment rates, based on hospital-specific data.

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates. The current Medicaid, Medicare and other third-party payor programs are based upon extremely complex laws and regulations that are subject to interpretation. Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been audited by the Medicare fiscal intermediary and settled through the year ended December 31, 2007. Other years remain open for audit and subsequent settlement as are numerous issues related to the New York State Medicaid program for prior years. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled. Approximately 1.66% of operating revenues in 2013 and 0.80% of operating revenues in 2012 are due to adjustments of prior year operating revenues. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Hospital is not aware of any allegations of noncompliance that could have a material adverse effect on the combined financial statements and believes that it is in compliance with all applicable laws and regulations.

There are various proposals at the Federal and State levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

2. Third-Party Reimbursement Programs (continued)

proposals and other market changes, including the potential effects of health care reform that has been enacted by the Federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Hospital. Additionally, Medicare payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years might be realized.

Significant concentrations of accounts receivable at December 31, 2013 include 22% from government-related programs and 17% from Empire Health Choice (23% and 19%, respectively, at December 31, 2012).

3. Cash, Cash Equivalents and Investments at Fair Value

For assets and liabilities required to be measured at fair value, the Institution measures fair value based on 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. Fair value measurements are applied based on the unit of account from the Institution's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

The Institution follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- *Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable inputs are based on inputs not quoted in active markets, but corroborated by market data.
- *Level 3:* Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

3. Cash, Cash Equivalents and Investments at Fair Value (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Institution uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

United States-based and international equities consist of individually held securities and commingled funds. Individual securities and certain commingled funds are valued based on the quoted market prices of the securities as reported on national securities exchanges. Commingled funds primarily are valued based on the net asset value (NAV) of shares held by the Institution at year end.

Fixed income securities include corporate bonds, U.S. government securities, international fixed income securities, and commingled funds. Corporate bonds, U.S. government and international fixed income securities are valued based on readily available market quotations received from commercial pricing services. Such pricing services and brokers will generally provide bid-side quotations. Commingled funds are valued based on quoted market prices as reported on national securities exchanges, if applicable, or the NAV of shares held by the Institution at year end.

Alternative investments include absolute return funds, long/short funds, global macro funds, inflation hedging funds, opportunistic funds, hard assets, private equity funds and venture capital. Alternative investment interests generally are structured such that the Institution holds a limited partnership interest. The Institution's ownership structure does not provide for control over the related investees and the Institution's financial risk is limited to the funded and unfunded commitment for each investment. As of December 31, 2013, the Institution had outstanding commitments to provide additional capital of approximately \$258 million to various nonmarketable alternative investment managers.

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt and equity securities and interests in other alternative investments. The Institution may be exposed indirectly to securities lending, short sales of securities and trading in futures and forward contracts, options and other derivative products. Alternative investments often have liquidity restrictions under which the Institution's capital may be divested only at specified times. The Institution's liquidity restrictions range from several months to ten years for certain private equity investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

3. Cash, Cash Equivalents and Investments at Fair Value (continued)

There is uncertainty in determining fair values of alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, time lags associated with reporting by the investee companies and the subjective evaluation of liquidity restrictions. As a result, the estimated fair values reported in the accompanying combined balance sheets might differ from the values that would have been used had a ready market for the alternative investment interests existed and there is at least a reasonable possibility that those estimates will change.

The following is a description of the Institution's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Level 3 assets consist of alternative investments, the valuation for which is described in Note 1. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Institution believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

3. Cash, Cash Equivalents and Investments at Fair Value (continued)

Financial instruments, other than employee benefit funds and pension plan assets (see Note 7), carried at fair value as of December 31, 2013 are classified in the table below in one of the three categories described above

	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Cash, cash equivalents and short-term investments	\$ 759,928	\$ —	\$ —	\$ 759,928
United States-based equity investments.				
Equity securities	152,721	22,633	—	175,354
Commingled funds	—	322,321	66,207	388,528
International equity investments				
Equity securities	285,881	13,266	—	299,147
Commingled funds	—	85,468	52,589	138,057
Fixed income investments.				
Corporate bonds	—	990,634	—	990,634
U S Government and other	173,967	83,435	—	257,402
Commingled funds	6,148	16,678	20,328	43,154
Alternative investments				
Marketable				
Absolute return funds	—	314,284	239,680	553,964
Long/short funds	—	106,510	260,442	366,952
Global macro funds	—	—	58,281	58,281
Inflation hedging funds	109,585	2,044	25,510	137,139
Nonmarketable				
Venture capital	—	—	202,870	202,870
Private equity	—	—	267,858	267,858
Opportunistic funds	—	—	143,852	143,852
Hard assets	—	—	162,770	162,770
Total investments carried at fair value	<u>\$ 1,488,230</u>	<u>\$ 1,957,273</u>	<u>\$ 1,500,387</u>	<u>\$ 4,945,890</u>

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

3. Cash, Cash Equivalents and Investments at Fair Value (continued)

Financial instruments, other than employee benefit funds and pension plan assets (see Note 7), carried at fair value as of December 31, 2012 are classified in the table below in one of the three categories described above

	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Cash, cash equivalents and short-term investments	\$ 651,044	\$ —	\$ —	\$ 651,044
United States-based equity investments:				
Equity securities	261,134	—	—	261,134
Commingled funds	—	217,686	98,591	316,277
International equity investments				
Equity securities	185,411	—	—	185,411
Commingled funds	37,580	107,570	33,851	179,001
Fixed income investments:				
Corporate bonds	—	963,059	—	963,059
U S Government and other	113,159	121,695	—	234,854
Commingled funds	28,450	17,042	24,665	70,157
Alternative investments				
Marketable				
Absolute return funds	—	260,928	207,560	468,488
Long/short funds	—	118,289	99,349	217,638
Global macro funds	—	—	52,381	52,381
Inflation hedging funds	76,375	25,620	24,141	126,136
Nonmarketable				
Venture capital	—	—	173,021	173,021
Private equity	—	—	220,798	220,798
Opportunistic funds	—	—	134,339	134,339
Hard assets	—	—	147,228	147,228
Total investments carried at fair value	<u>\$ 1,353,153</u>	<u>\$ 1,831,889</u>	<u>\$ 1,215,924</u>	<u>\$ 4,400,966</u>

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

3. Cash, Cash Equivalents and Investments at Fair Value (continued)

The following table represents the rollforward of the combined balance sheet amounts for financial instruments classified by the Institution within Level 3 of the valuation hierarchy defined above

	2013	2012
	<i>(In Thousands)</i>	
Fair value at beginning of year	\$ 1,215,924	\$ 1,039,190
Unrealized gains	135,515	77,453
Realized gains	74,609	44,757
Transfers in	—	2,524
Acquisitions	322,092	300,080
Dispositions	(247,753)	(248,080)
Fair value at end of year	<u>\$ 1,500,387</u>	<u>\$ 1,215,924</u>

Other financial instruments that are not required to be carried at fair value include debt, pledges and mortgages receivable. The Institution's long-term debt obligations are reported in the accompanying combined balance sheets at carrying value which totaled approximately \$2.09 billion and \$2.12 billion at December 31, 2013 and 2012, respectively, excluding capital leases. The fair value of long-term debt obligations at December 31, 2013 and 2012, as determined by quoted market prices, totaled approximately \$2.04 billion and \$2.29 billion, respectively. These fair values are categorized as Level 2 in the fair value hierarchy described above. Pledges and mortgages receivable are recorded at carrying value, net of applicable discounts in the accompanying combined balance sheets which approximates fair value.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

4. Property and Equipment

Property and equipment consists of the following.

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
Land	\$ 136,470	\$ 202,814
Buildings and leasehold improvements	2,678,134	2,552,008
Equipment	1,051,733	1,153,743
Construction-in-progress	333,702	276,884
	4,200,039	4,185,449
Less accumulated depreciation and amortization	1,971,740	1,964,136
	\$ 2,228,299	\$ 2,221,313

In 2013 and 2012, the Institution wrote off approximately \$200.2 million and \$223.2 million, respectively, of fully depreciated assets.

The Institution has entered into capital lease financing agreements in conjunction with the Dormitory Authority of the State of New York's (DASNY) tax-exempt lease program (see Note 5). At December 31, 2013 and 2012, capital assets recorded in connection with this lease program aggregated approximately \$97.1 million, with accumulated amortization aggregating approximately \$57.3 million and \$44.4 million, respectively.

In 2013, the Institution completed the sale of Manhattan real estate located at East 19th Street that was acquired in 2010 for approximately \$83.1 million as a potential outpatient facility. The sale price, less closing costs, was approximately \$151.4 million and resulted in a net gain of approximately \$62.2 million which was recorded as other nonoperating income in 2013. The purchase of the property at East 19th Street was financed in part through the issuance of DASNY Series 2010 tax-exempt bonds (the 2010 Bonds). The proceeds of the sale are included in assets whose use is limited at December 31, 2013 and will be used to fund certain tax-exempt construction projects.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Combined Financial Statements (continued)

5. Long-Term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations consist of the following.

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
DASNY Series 1998, tax-exempt bonds maturing through 2023 at various fixed interest rates ranging from 5.25% to 5.75%	\$ 141,400	\$ 142,700
DASNY Series 2006, tax-exempt bonds maturing between 2027 and 2035 at various fixed interest rates ranging from 4.75% to 5.00%	215,085	215,085
DASNY Series 2008, tax-exempt bonds maturing between 2013 and 2036 at various fixed interest rates ranging from 4.00% to 5.00%	414,970	443,155
DASNY Series 2010, tax-exempt bonds maturing through 2023 at a fixed interest rate of 2.18%	78,000	80,000
Series 2011A taxable bonds maturing in 2042 at a fixed interest rate of 5.00%	400,000	400,000
DASNY Series 2012, tax-exempt bonds maturing through 2041 at various fixed interest rates ranging from 3.00% to 5.00%	89,525	89,525
DASNY 2012 Series 1, tax-exempt bonds maturing through 2034 at various fixed interest rates ranging from 4.00% to 5.00%	262,265	262,265
Commercial bank loan maturing through 2016 at a fixed interest of 1.50%	45,140	45,140
Series 2012A taxable bonds maturing in 2052 at a fixed interest rate of 4.125%	400,000	400,000
DASNY 2009, capital lease maturing in 2014 at 2.89%	10,637	26,213
DASNY 2008, capital lease maturing in 2013 at 3.02%	—	4,857
	2,057,022	2,108,940
Less current portion	51,067	49,918
	2,005,955	2,059,022
Unamortized bond premium	41,009	44,288
	\$ 2,046,964	\$ 2,103,310

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

5. Long-Term Debt and Capital Lease Obligations (continued)

In 2013, as a result of the sale of property at East 19th Street (see Note 4), the Institution repurposed the 2010 Bonds to be used for certain other tax-exempt construction projects. In addition, the interest rate and repayment terms of the 2010 Bonds, which are privately placed with a sole bondholder, were re-negotiated so that the debt matures in 2023 at a fixed interest rate of 2.18%.

In February 2012, the Institution legally defeased the entire outstanding amount of the DASNY Series 2003 tax-exempt bonds (the Series 2003 Bonds). The Institution issued approximately \$262.2 million of 2012 Series 1 tax-exempt bonds (the 2012 Series 1 Bonds) through the DASNY. The 2012 Series 1 Bonds mature through 2034 at fixed interest rates ranging from 4.00% to 5.00%. The proceeds were used to advance refund a portion of the Series 2003 Bonds. The new debt was issued at a premium of approximately \$26.3 million, which lowered the Institution's effective interest rates and the all-in yield. Concurrent with the issuance of the 2012 Series 1 Bonds, the Institution also obtained a loan for approximately \$45.1 million through a commercial bank to advance refund the remaining portion of the Series 2003 Bonds. The commercial bank loan matures through 2016 at a fixed interest rate of 1.50%. Amounts sufficient to meet future principal and interest requirements of the refunded Series 2003 Bonds have been irrevocably deposited into an escrow account. Included in 2012 nonoperating income and expenses, net is approximately \$17.5 million of extinguishment loss resulting from the defeasance of the Series 2003 Bonds.

Additionally, in February 2012, the Institution issued \$89.5 million of Series 2012 tax-exempt bonds through the DASNY. The Series 2012 tax-exempt bonds mature through 2041 at fixed interest rates ranging from 3.00% to 5.00%. The proceeds will be used to pay costs for a proposed ambulatory facility in Harrison, New York and to pay for costs of issuance.

In December 2012, the Institution issued \$400.0 million of Series 2012A taxable term bonds (the 2012 Bonds). The 2012 Bonds mature in July 2052 and were issued with a 4.125% fixed interest rate. The Institution will use the proceeds to finance certain capital projects, pay costs of issuance of the 2012 Bonds and for other eligible corporate purposes. The related proceeds are recorded on the combined balance sheet as investments internally designated for major capital projects, until such point that they are used for a designated purpose.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

5. Long-Term Debt and Capital Lease Obligations (continued)

Annual maturities on all long-term debt as of December 31, 2013 for the years 2014 through 2018 are as follows (in thousands)

2014	\$51,067
2015	41,920
2016	43,420
2017	45,785
2018	47,665

Total interest paid in 2013 and 2012 (including portions supporting capitalized costs) was approximately \$100.3 million and \$86.3 million, respectively. Interest expense related to the Series 2011A and the Series 2012A taxable bonds will be included in other nonoperating income and expenses, net until the related proceeds are spent on capital projects. Nonoperating interest expense was approximately \$36.7 million and \$20.3 million during 2013 and 2012, respectively.

Certain of the above debts are secured by a pledge of revenues from certain facilities, bond insurance and springing collateral, which would require the Institution to mortgage a substantial portion of real property if certain financial covenants and ratios are not maintained. The Institution was in compliance with all such financial requirements during 2013 and 2012.

At December 31, 2013 and 2012, the Institution had unsecured lines of credit available with banks totaling \$200.0 million, with varying renewable terms and interest based on the London Interbank Offered Rate. There were no amounts drawn at December 31, 2013 and 2012.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

6. Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following.

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
Pension obligations <i>(Note 7)</i>	\$ 221,239	\$ 414,942
Postretirement obligation <i>(Note 7)</i>	159,392	167,631
Insurance reserves <i>(Note 8)</i>	231,382	224,712
Deferred compensation	53,966	48,447
Asset retirement obligations <i>(Note 11)</i>	33,426	31,965
Deferred gift annuity	27,167	31,235
All other	9,272	6,471
	\$ 735,844	\$ 925,403

7. Retiree Pension and Health Plans

The Institution has a retirement annuity plan which provides eligible staff members with retirement income through individual deferred annuity contracts purchased in each participant's name. In addition, the Institution maintains a nonqualified deferred compensation plan which is used for employer contributions in excess of those allowed by the retirement annuity plan. The effective date of this plan was January 1, 1983 and it has been grandfathered from the changes made by the Tax Reform Act of 1986. The plans' assets are included in assets whose use is limited in the combined balance sheets and consist of money market and mutual funds. The Institution contributes a fixed percentage of an individual's compensation to these plans.

Effective January 1, 2013, the Institution amended an existing 403(b) plan (composed of the basic plan and the voluntary plan) to have a new plan design and be renamed as the Memorial Sloan Kettering Cancer Center Retirement Savings Plan (the RSP). Under the RSP, all Institution employees will be eligible to make voluntary employee contributions (salary deferrals), subject to IRS limits. Mandatory employee contributions will no longer be required.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

The Institution will make base contributions to the RSP for eligible employees, which will depend on the employee's age (determined as of the preceding December 31). Additionally, the Institution will match contributions for voluntary employee contributions made by eligible employees. The Institution's cost for these plans was approximately \$40.9 million and \$25.6 million in 2013 and 2012, respectively.

The Institution also maintains a trustee defined benefit plan (the Plan) for employees not covered by the above retirement annuity plan. The benefits are based on years of service, the employee's average compensation during the highest five of the last ten years of employment and a pension formula. During 2012, terminated vested participants in the Plan were offered the opportunity to receive the present value of their accrued plan benefits in a single lump-sum payment. The payments reflected a full settlement of all plan liabilities to such participants. Approximately 800 participants elected a lump-sum payment, which resulted in a cash payout and corresponding reduction of liability of approximately \$22.0 million.

The Plan has been amended and is frozen to new participants hired on or after December 16, 2012. There will be no change in the Plan for eligible employees hired before December 16, 2012 who have met or will meet the participation requirements. Additionally, in early 2013, the Plan participants were offered a one-time irrevocable choice to continue participation in the Plan or, effective as of March 10, 2013, to commence receiving employer contributions under the RSP, at which time such participants stopped accruing certain future benefits under the Plan.

The Institution offers retirees and their spouses hospital and basic medical coverage which supplements any available Medicare coverage. The plan pays the balance of charges not paid by Medicare up to Medicare allowable charges. All employees become eligible for postretirement health care if they retire at age 60 or older, with at least 10 years of service, or under age 60 with 30 years of service. The accounting for the health care plans anticipates future retiree contributions increasing by annual health care cost increases plus 2%. Employees hired after December 31, 2006 are required to pay 100% of the coverage cost.

Effective January 1, 2013, the Institution offered to provide each Medicare-eligible retiree and spouse with a subsidy to purchase individual Medicare supplement coverage instead of the Institution's hospital and basic medical coverage. Retirees who did not elect for this subsidy continued unaffected under the current plan.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

The Institution recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of the defined benefit plans in its combined balance sheets. Net unrecognized actuarial losses and the net unrecognized prior service costs at the reporting date will be subsequently recognized in the future as net periodic benefit cost pursuant to the Institution's accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets. Included in unrestricted net assets at December 31, 2013 and 2012 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service credit of \$49.7 million and \$55.2 million, respectively, and unrecognized actuarial losses of \$216.9 million and \$430.8 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic benefit cost during the year ending December 31, 2014 are \$5.5 million and \$6.6 million, respectively.

The following tables provide a reconciliation of the change in the benefit obligations and fair value of plan assets and funded status of the Institution's pension and postretirement plans.

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2013	2012	2013	2012
	<i>(In Thousands)</i>			
Reconciliation of benefit obligations				
Benefit obligations at beginning of year	\$1,103,627	\$ 946,103	\$ 173,111	\$ 188,683
Service cost	61,944	55,962	6,155	7,041
Interest cost	49,986	47,498	7,598	8,109
Plan participants' contributions	409	300	2,792	2,682
Actuarial (gains) losses	(139,681)	112,238	(16,679)	13,123
Amendments	—	(9,342)	—	(39,289)
Benefits paid	(32,751)	(45,992)	(7,538)	(7,238)
Expenses paid	(1,692)	(3,140)	—	—
Benefit obligations at end of year	\$1,041,842	\$1,103,627	\$ 165,439	\$ 173,111

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2013	2012	2013	2012
	<i>(In Thousands)</i>			
Reconciliation of fair value of plan assets				
Fair value of plan assets at beginning of year	\$ 688,685	\$ 576,808	\$ —	\$ —
Actual return on plan assets	80,952	80,709	—	—
Employer contributions	85,000	80,000	4,746	4,556
Plan participants' contributions	409	300	2,792	2,682
Benefits paid	(32,751)	(45,992)	(7,538)	(7,238)
Expenses paid	(1,692)	(3,140)	—	—
Fair value of plan assets at end of year	820,603	688,685	—	—
Unfunded status at end of year	\$ (221,239)	\$ (414,942)	\$ (165,439)	\$ (173,111)
Current portion of obligation	\$ —	\$ —	\$ (6,047)	\$ (5,480)
Noncurrent portion of obligation	(221,239)	(414,942)	(159,392)	(167,631)
Total	\$ (221,239)	\$ (414,942)	\$ (165,439)	\$ (173,111)

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

The accumulated benefit obligation for the plans as of December 31, 2013 and 2012 was approximately \$1.00 billion and \$1.05 billion, respectively

The following table provides the components of the net periodic cost for pension and postretirement benefit cost for the plans for the years ended December 31

	Pension Benefits		Postretirement Health	
	2013	2012	2013	2012
	<i>(In Thousands)</i>			
Components of net periodic cost				
Service cost	\$ 61,944	\$ 55,962	\$ 6,155	\$ 7,041
Interest cost	49,986	47,498	7,598	8,109
Expected return on assets	(44,133)	(33,590)	—	—
Curtailment loss	—	7,690	—	—
Amortization of net loss	14,195	13,243	6,528	5,950
Amortization of prior service cost	657	1,179	(6,208)	(2,917)
Total net periodic cost	<u>\$ 82,649</u>	<u>\$ 91,982</u>	<u>\$ 14,073</u>	<u>\$ 18,183</u>

Actuarial Assumptions

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

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2013	2012	2013	2012
Discount rate	5.40%	4.60%	5.30%	4.45%
Rate of compensation increase	4.25	4.25	—	—

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

Weighted-average assumptions used to determine net periodic benefit cost are as follows.

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2013	2012	2013	2012
Discount rate	4.60%	5.15%	4.45%	4.35%
Rate of compensation increase	4.25	4.25	—	—
Expected long-term return on plan assets	6.00	5.30	—	—

The expected return of the portfolio was arrived at using the weighted-average of the expected returns of the underlying benchmark asset classes.

The health care cost trend rate assumptions for the postretirement hospital and basic medical coverage plan at December 31 are as follows:

	2013	2012
Health care cost trend rate assumed for next year	6.67%	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00	5.00
Year that the rate reaches the ultimate trend rate	2018	2018

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

Effect of Change in Health Care Trends

Assumed health care cost trend rates have a significant effect on the postretirement health amounts reported. A 1% change in assumed health care cost trend rates would have the following effects on postretirement benefit costs

	2013		2012	
	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease
	<i>(In Thousands)</i>			
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ 2,828	\$ (2,210)	\$ 3,462	\$ (2,659)
Effect on the health care component of the accumulated postretirement benefit obligation	27,554	(21,969)	29,318	(23,476)

Plan Assets

The following table presents the weighted-average long-term target asset allocations and the percentages of the fair value of pension plan assets as of December 31.

	Target Allocation	Percentage of Plan Assets	
	2013	2013	2012
U S.-based equity securities	24%	28%	26%
International equity investments	16	17	17
Fixed income investments	35	32	37
Alternative investments	25	23	20

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

The Plan assets consist of cash and cash equivalents, U S and international equities, fixed income securities, commingled funds, and alternative investments. Alternative investments are listed by their corresponding strategy and holdings include domestic and international equity securities, fixed income securities, convertible debt, distressed debt, merger arbitrage, real estate, private investments and hedge funds. These investments pursue multiple strategies to diversify risk and reduce volatility.

Equities and real estate investment trusts are valued based on the quoted market prices of the securities as reported on national securities exchanges. Fixed income securities are valued based on readily available market quotations received from commercial pricing services. Such pricing services and brokers will generally provide bid-side quotations. Commingled funds are valued based on the NAV of shares held by the pension plan at year end. Mortgage-backed securities are valued based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers and brokers. Alternative investments are stated at fair value as determined by Morgan Guaranty Trust Company of New York or by the investees. Value may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Generally, fair value is stated at NAV, which reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses.

The financial statements of the investees are audited annually by independent auditors. These investments may indirectly expose the pension plan to securities lending, short sales of securities, and trading in futures and forward contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the pension plan's risk with respect to such transactions is limited to its capital balance in each investment.

None of the alternative investments have gate provisions or other liquidity restrictions within their governing documents. Unfunded commitments for the alternative investments in the pension plan at December 31, 2013 are approximately \$53.1 million.

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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

Financial instruments of the Plan of the Institution, carried at fair value as of December 31, 2013, are classified in the table below in one of the three categories described in Note 3

	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Cash, cash equivalents, and money market funds	\$ 6,013	\$ —	\$ —	\$ 6,013
U S equity investments:				
Equity securities	40,913	—	—	40,913
Real estate investment trusts	2,040	—	—	2,040
Commingled funds	—	175,448	—	175,448
International equity investments:				
Commingled funds	—	142,806	—	142,806
Fixed income investments				
U.S government and other	48,852	—	—	48,852
Corporate bonds	—	42,491	—	42,491
Mortgage-backed securities	—	21,069	—	21,069
Commingled funds	—	143,986	4,642	148,628
Alternative investments:				
Relative value funds	—	28,596	7,834	36,430
Opportunistic/macro funds	—	17,391	8,770	26,161
Long/short equity funds	—	26,489	7,489	33,978
Merger arbitrage/event driven funds	—	9,645	10,476	20,121
Credit funds	—	20,786	21,533	42,319
Hedge funds	—	489	—	489
Private equity funds	—	—	32,845	32,845
	<u>\$ 97,818</u>	<u>\$ 629,196</u>	<u>\$ 93,589</u>	<u>\$ 820,603</u>

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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

Financial instruments of the Plan of the Institution, carried at fair value as of December 31, 2012, are classified in the table below in one of the three categories described in Note 3

	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Cash, cash equivalents, and money market funds	\$ 8,433	\$ —	\$ —	\$ 8,433
U S equity investments:				
Equity securities	25,716	—	—	25,716
Real estate investment trusts	1,911	—	—	1,911
Commingled funds	—	149,442	—	149,442
International equity investments.				
Commingled funds	—	116,769	—	116,769
Fixed income investments				
U.S government and other	43,563	—	—	43,563
Corporate bonds	—	51,770	—	51,770
Mortgage-backed securities	—	27,557	—	27,557
Commingled funds	—	125,234	3,580	128,814
Alternative investments:				
Relative value funds	—	12,541	5,211	17,752
Opportunistic/macro funds	—	15,126	—	15,126
Long/short equity funds	—	15,550	5,633	21,183
Merger arbitrage/event driven funds	—	6,077	15,108	21,185
Credit funds	—	6,759	5,887	12,646
Hedge funds	—	40,573	3,766	44,339
Private equity funds	—	—	2,479	2,479
	<u>\$ 79,623</u>	<u>\$ 567,398</u>	<u>\$ 41,664</u>	<u>\$ 688,685</u>

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

The following table represents a rollforward of the total plan assets classified by the Institution within Level 3 of the valuation hierarchy defined in Note 3

	2013	2012
	<i>(In Thousands)</i>	
Fair value at beginning of year	\$ 41,664	\$ 26,137
Acquisitions	40,919	13,612
Dispositions	(5,752)	(4,662)
Transfers in	10,886	2,715
Investment income	4,158	1,339
Realized gains (losses)	749	(243)
Unrealized gains	965	2,766
Fair value at end of year	<u>\$ 93,589</u>	<u>\$ 41,664</u>

Plan Objectives and Guidelines

The overall investment objective of the pension trust fund is to outperform a composite benchmark (an asset-weighted series of market indices used to measure the performance of each asset class) over a market cycle, while maintaining similar risk to the benchmark

The portfolio is diversified to reduce the impact of losses in individual investments in a manner that is responsive to fiduciary standards. Single issuers are limited to 5% of the portfolio's aggregate market value at time of purchase, with the exception of U S government and agency securities and commingled funds. The underlying products that comprise a diversified portfolio may have exposure to derivatives which are managed and controlled

Cash Flows

Contributions: The Institution expects to contribute \$90.0 million to its pension plan in 2014

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

7. Retiree Pension and Health Plans (continued)

Estimated future benefit payments: The Institution expects to pay the following benefit payments, which reflect expected future service, as appropriate

	Pension Benefits	Postretirement Health
	<i>(In Thousands)</i>	
2014	\$ 32,779	\$ 6,047
2015	34,648	6,813
2016	36,811	7,663
2017	39,268	8,254
2018	41,446	8,976
2019 to 2023	239,254	52,508

8. Insurance Programs

MSKI, a domestic tax-exempt corporation, is the primary insurance company for certain insurable risks of the Institution. The primary coverages provided by MSKI to the Institution are health care professional liability, warranty coverage for covered health care equipment, terrorism and assumed coverage for workers' compensation, general liability and certain employee benefits of long-term disability and life insurance. The Institution's liability is limited, with catastrophic risk insured by commercial insurance carriers, or in the case of terrorism risk, by the U S Government under a formula established by Federal law.

Insurance reserves of MSKI represent estimated unpaid losses and loss adjustment expenses. Such amounts are established using management's estimates on the basis of claims records and independent actuarial reviews and include an amount for the adverse development of reported claims. Adjustments to the estimate of the liability for losses are reflected in earnings in the period in which the adjustment is determined. The insurance reserves are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may vary significantly from the amount provided. The estimated unpaid professional liability losses and loss adjustment expenses, including losses incurred but not reported at December 31, 2013

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

8. Insurance Programs (continued)

and 2012, were approximately \$220.8 million and \$219.1 million, respectively, and are recorded at the actuarially determined present value of approximately \$195.4 million and \$194.1 million, respectively, based on a discount rate of 4% for both years.

9. Operating Leases

The Institution leases certain facilities and equipment which are accounted for as operating leases. Total rent expense for operating leases aggregated approximately \$28.2 million and \$20.2 million for 2013 and 2012, respectively. The future minimum lease commitments for noncancelable leases in excess of one year are as follows (in thousands):

2014	\$ 32,264
2015	31,664
2016	29,768
2017	28,429
2018	28,758
Thereafter	134,925
	<u>\$ 285,808</u>

There are provisions in certain leases which provide for rent escalation for inflation and other items.

10. Grant Awards

The accompanying combined financial statements do not include amounts related to research grants (or portions thereof) that have been awarded to the Institute for which expenditures have not been incurred or cash has not been received. Such grant awards approximated \$97.2 million and \$116.7 million at December 31, 2013 and 2012, respectively.

11. Commitments and Contingencies

The Institution is involved in various litigation and claims that are not considered unusual given the complexity and size of the Institution's business. Management believes that the ultimate resolution of these matters will not have a material impact on the Institution's combined financial statements.

Memorial Sloan Kettering Cancer Center
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Notes to Combined Financial Statements (continued)

11. Commitments and Contingencies (continued)

The Institution recognizes a liability for the future cost of conditional asset retirement obligations, including building modifications and lease end costs. The Institution removes contained asbestos and any applicable radioactive materials from facilities as facilities are being repaired and/or replaced. The Institution has recorded the estimated liability for the cost of asbestos remediation and radiation decommissioning for the Institution's current plans for building modifications and lease end costs of approximately \$33.4 million at December 31, 2013.

The Institution entered into contracts to purchase properties in 2014 for approximately \$200.0 million. The Institution will use the properties to expand ambulatory care and clinical research.

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