DLN: 93493032013623

Department of the Treasury

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements Internal Revenue Service A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011 D Employer identification number Name of organization INTERFAITH MEDICAL CENTER INC B Check if applicable Address change 11-2626155 Doing Business As E Telephone number Name change (718) 613-4000 Initial return umber and street (or P O box if mail is not delivered to street address) **G** Gross receipts \$ 206,522,629 1545 ATLANTIC AVENUE Terminated Amended return City or town, state or country, and ZIP + 4 BROOKLYN, NY 11213 Application pending Name and address of principal officer **H(a)** Is this a group return for LUIS HERNANDEZ affiliates? 1545 ATLANTIC AVENUE BROOKLYN, NY 11213 H(b) Are all affiliates included? If "No," attach a list (see instructions) Tax-exempt status Group exemption number 🕨 H(c) Website: ► WWW INTERFAITHMEDICAL COM K Form of organization ✓ Corporation ☐ Trust ☐ Association ☐ Other ► M State of legal domicile NY L Year of formation 1984 Summary Part I Briefly describe the organization's mission or most significant activities INTERFAITH MEDICAL CENTER'S MISSION IS TO PROVIDE EXCEPTIONAL PATIENT SERVICE THROUGH PREVENTION, EDUCATION AND TREATMENT IN A SAFE ENVIRONMENT Activities & Governance 2 Check this box 🚩 if the organization discontinued its operations or disposed of more than 25% of its net assets Number of voting members of the governing body (Part VI, line 1a) . . . 4 Number of independent voting members of the governing body (Part VI, line 1b) . 6 2,005 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 6 132 Total number of volunteers (estimate if necessary) 0 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a ${f b}$ Net unrelated business taxable income from Form 990-T, line 34 7b **Prior Year Current Year** Contributions and grants (Part VIII, line 1h) . 4,292,667 4,263,606 191,187,471 194,531,403 Program service revenue (Part VIII, line 2g) . 1,839,536 2,293,632 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . 11 1,088,188 5,433,988 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12 198,407,862 206,522,629 13 0 0 Grants and similar amounts paid (Part IX, column (A), lines 1-3). 0 Benefits paid to or for members (Part IX, column (A), line 4) . 0 14 Salaries, other compensation, employee benefits (Part IX, column (A), lines 15 Expenses 148,031,665 135,527,758 0 16a Professional fundraising fees (Part IX, column (A), line 11e) . . . b Total fundraising expenses (Part IX, column (D), line 25) ▶ 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . 105,874,231 82,712,698 253,905,896 218,240,456 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 19 Revenue less expenses Subtract line 18 from line 12 . -55,498,034 -11,717,827 Assets or defined by the control of **Beginning of Current End of Year** Year 178,910,540 166,739,861 20 Total assets (Part X, line 16) . End Fund 21 Total liabilities (Part X, line 26) . . . 319,031,304 349,099,154 22 -140,120,764 -182,359,293 Net assets or fund balances Subtract line 21 from line 20 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. 2013-02-01 Signature of officer Date Sign Here ROBERT MARIANI CFO
Type or print name and title Check if Preparer's taxpayer identification number Angelo Pirozzi CPA signature Paid employed 🕨 🔽 Preparer's Firm's name (or yours Charles A Barragato & Co LLP if self-employed), address, and ZIP + 4 **Use Only** 950 Third Avenue - 20th FL

New York, NY 10022

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

▼Yes 「No

Phone no (212) 371-4446

| Par | 31111 | Statement of Program S Check if Schedule O contains | | | | |
|-----|---------------|---|--------------------------------------|-------------------------|------------------------------|------------------------------|
| 1 | Brief | y describe the organization's mi | ssion | | | |
| | | H MEDICAL CENTER'S MISSI N AND TREATMENT IN A SAF | | EXCEPTIONAL PATI | ENT SERVICE THROUGH | PREVENTION, |
| | | | | | | |
| | | | | | | |
| 2 | | e organization undertake any si ior Form 990 or 990-EZ? . | | | which were not listed on | ┌ Yes ┌ No |
| | If "Ye | s," describe these new services | on Schedule O | | | |
| 3 | | e organization cease conducting | g, or make sıgnıfıcan • • • • • • | t changes in how it con | ducts, any program | ┌ Yes ┌ No |
| | If "Ye | s," describe these changes on S | chedule O | | | |
| 4 | exper | ribe the organization's program s ises Section 501(c)(3) and 501 s and allocations to others, the t | .(c)(4) organizations | and section 4947(a)(| 1) trusts are required to re | port the amount of |
| 4a | (Code | e) (Expenses \$ | 164,862,965 | ıncludıng grants of \$ | 0) (Revenue \$ | 196,396,828) |
| | AND I SERV | RFAITH MEDICAL CENTER PROVIDES A VEDIATRIC CARE SERVICES THROUGHO CES, INCLUDING RENAL DIALYSIS, MEI CES ARE ALSO AVAILABLE | OUT THE CENTRAL BROOK | CLYN, NEW YORK AREA INT | ERFAITH MEDICAL CENTER ALSO | PROVIDES TERTIARY HEALTHCARE |
| 4b | (Code | e) (Expenses \$ | | ıncludıng grants of \$ |) (Revenue \$ |) |
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| 4c | (Code | e) (Expenses \$ | | including grants of \$ |) (Revenue \$ |) |
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| 4d | Othe | er program services (Describe i | n Schedule O) | | | |
| | | enses \$ | including grants of | [;] \$ |) (Revenue \$ |) |
| 4e | Tota | l program service expenses►\$ | 164,862,96 | 5 | | |

| art IV | Checkli | st 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^{\bullet} | 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 | | |
| 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 2 | 8 | | No |
| 9 | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | 9 | | No |
| 10 | Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part $\sqrt{2}$ | 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 | | | |
| а | Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI. | 11a | Yes | |
| b | Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. | 11b | | No |
| C | Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. | 11c | | No |
| d | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. | 11d | Yes | |
| e | Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. | 11e | Yes | |
| f | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. | 11f | | No |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII | 12a | Yes | |
| b | Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional | 12b | | No |
| 13 | Is the organization a school described in section 170(b)(1)(A)(II)? If "Yes," complete Schedule E | 13 | | No |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | Νo |
| b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I | 14b | | No |
| 15 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV | 15 | | No |
| 16 | Did the organization report on Part IX, column (A), line 3, more than $$5,000$ of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV | 16 | | No |
| 17 | Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I | 17 | | No |
| 18 | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 18 | | No |
| 19 | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 19 | | No |
| 20a | Did the organization operate one or more hospitals? If "Yes," complete Schedule H | 20a | Yes | |
| b | If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements | 20b | Yes | |

| Par | t IV Checklist of Required Schedules (continued) | | | |
|-----|---|-----|----------------|--------|
| 21 | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | 21 | | No |
| 22 | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | 22 | | No |
| 23 | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | 23 | Yes | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25 | 24a | Yes | |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | No |
| C | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | No |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | Νo |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | 25a | | No |
| b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 25b | | N o |
| 26 | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II | 26 | | No |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III | 27 | | No |
| 28 | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | | |
| а | A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28a | | No |
| b | A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28b | | No |
| C | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV | 28c | Yes | |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If</i> "Yes," complete Schedule M | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | 32 | | No |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I | 33 | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 | 34 | Yes | |
| 35a | Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)? | 35a | Yes | |
| b | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section $512(b)(13)$? If "Yes," complete Schedule R, Part V, line 2 | 35b | Yes | |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | 36 | | No |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | 37 | | No |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | Yes | |
| | | F | orm 990 | (2011) |

| Part V | Statements Regarding Other IRS Filings and Tax Compliance |
|--------|---|

| | Check if Schedule O contains a response to any question in this Part V | • | · [| |
|----|--|-------------|-----|-----|
| | | | Yes | No |
| .a | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable | | | |
| | | | | |
| | 1a 75 | | | |
| b | Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable | | | |
| | 1 b 0 | | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable | | | |
| | gaming (gambling) winnings to prize winners? | 1c | Yes | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax | | | |
| | Statements filed for the calendar year ending with or within the year covered by this return | | | |
| ь | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | | | |
| | | 2b | Yes | |
| | Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | | |
| a | Did the organization have unrelated business gross income of \$1,000 or more during the | _ | | |
| | year? | 3a | | No |
| b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | 3b | | |
| а | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities | | | |
| | account)? | 4a | | No |
| ь | 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 | | | |
| | | | | |
| а | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | Νo |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | No |
| _ | If "Vac" to line Fe or Fh. did the organization file Form 9996. To | 36 | | |
| C | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | | |
| a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the | 6a | | No |
| | organization solicit any contributions that were not tax deductible? | | | |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts | | | |
| | were not tax deductible? | 6b | | |
| | Organizations that may receive deductible contributions under section 170(c). | _ | | ., |
| а | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | | Νo |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | | |
| | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to | | | |
| | file Form 8282? | 7c | | Νo |
| d | If "Yes," indicate the number of Forms 8282 filed during the year 7d | | | |
| | | | | |
| е | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | No |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7£ | | No |
| | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as | | | 110 |
| 9 | required? | 7g | | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a | | | |
| | Form 1098-C? | 7h | | |
| 1 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did | | | |
| | the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | |
| | | 8 | | |
| ' | Sponsoring organizations maintaining donor advised funds. | _ | | |
| | Did the organization make any taxable distributions under section 4966? | 9a | | |
| _ | Did the organization make a distribution to a donor, donor advisor, or related person? | 9b | | |
| 0 | Section 501(c)(7) organizations. Enter | | | |
| | Initiation fees and capital contributions included on Part VIII, line 12 10a | | | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | | |
| | | | | |
| | Section 501(c)(12) organizations. Enter | | | |
| | Gross income from members or shareholders | | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | | | |
| | , | | | |
| | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the | | | |
| .3 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| | Is the organization licensed to issue qualified health plans in more than one state? | | | |
| а | Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue | | | |
| | qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization | 13a | | |
| | allocated to each state | 13g | | |
| b | Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | | | |
| _ | Enter the aggregate amount of reserves on hand | | | |
| • | 13c | | | |
| 4a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | No |
| L | If "Voc " has it filed a Form 720 to report these payments? If "Mo " provide an explanation in Schodule O | 146 | | |

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

| Check | if Schedule O | contains a | response to | anv | question i | ın thıs Part VI | _ | _ | _ | _ | _ | _ | _ | _ | _ | . ত |
|-------|---------------|------------|---------------|-----|------------|--------------------|---|---|---|---|---|---|---|---|---|-----|
| CHECK | ii Schedale O | Contains a | . response to | uny | question | ili cilis i alc vi | • | • | • | • | • | • | • | • | • | • , |

| Se | ection A. Governing Body and Management | | | | | | | |
|-----|---|-----|-----|----|--|--|--|--|
| | | | Yes | No | | | | |
| | | | | | | | | |
| 1- | Enter the number of voting members of the governing heady at the and of the tay | | | | | | | |
| 1a | Enter the number of voting members of the governing body at the end of the tax year | | | | | | | |
| b | Enter the number of voting members included in line 1a, above, who are | | | | | | | |
| 2 | Independent | | | | | | | |
| 2 | other officer, director, trustee, or key employee? | 2 | Yes | | | | | |
| 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 | Yes | | | | | |
| 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 | | Νo | | | | |
| 7a | 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one more members of the governing body? | | | | | | | |
| 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 | | | | | | | |
| а | 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 | | Νo | | | | |
| | ection B. Policies (This Section B requests information about policies not required by the Internal evenue Code.) | | | | | | | |
| | vende code.) | | Yes | No | | | | |
| 10a | Did the organization have local chapters, branches, or affiliates? | 10a | | No | | | | |
| ь | 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 | | No | | | | |
| b | Describe in Schedule O the process, if any, used by the organization to review the Form 990 | | | | | | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | 12a | Yes | | | | | |
| b | Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | Yes | | | | | |
| С | 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? | | | | | | | |
| а | The organization's CEO, Executive Director, or top management official | 15a | | No | | | | |
| | Other officers or key employees of the organization | 15b | | No | | | | |
| _ | If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions) | | | | | | | |
| | · · · · · · · · · · · · · · · · · · · | | | | | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | | No | | | | |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its | | | | | | | |
| | participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | 164 | | | | | | |
| | ection C. Disclosure | 16b | | | | | | |
| | List the States with which a copy of this Form 990 is required to be filed NY | | | | | | | |

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 V Upon request

- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization FDWARD MAHER
 1545 ATLANTIC AVENUE

BROOKLYN, NY 11213 (718)613-4003

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

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

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

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

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

◆ 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

| (A) Name and Title | (B) A verage hours per week (describe hours | unles an | on (d e tha | n on son er ai | e bo is b nd a stee | x, oth) | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099- MISC) | (F) Estimated amount of other compensation from the organization and related |
|---|---|-----------------------------------|-----------------------|----------------------|------------------------------|---------------------------------|--------|--|--|--|
| | for related organizations in Schedule O) | Individual trustee or director | Institutional Trustee | Officei | Key employee | Highest compensated employee | Former | | MISC) | organizations |
| (1) Nathan M Barotz Esq Chairman | 5 0 | х | | | | | | 0 | 0 | 0 |
| (2) Canon Diane M Porter Vice Chair | 20 0 | х | | | | | | 60,146 | 0 | 0 |
| (3) Charles Grannum DMD Secretary/Treasurer | 5 0 | х | | | | | | 0 | 0 | 0 |
| (4) Brenda A Bennett MD Board Member | 5 0 | Х | | | | | | 0 | 0 | 0 |
| (5) James Philips Board Member | 5 0 | х | | | | | | 0 | 0 | 0 |
| (6) Corbett A Price Board Member (Jan-Oct) | 5 0 | х | | | | | | 0 | 0 | 0 |
| (7) Albert Wiltshire Board Member | 5 0 | х | | | | | | 0 | 0 | 0 |
| (8) James E McIntosh Chairman Emeritus | 5 0 | х | | | | | | 0 | 0 | 0 |
| (9) Luis Hernandez President & CEO (Oct-Dec) | 40 0 | | | х | | | | 0 | 0 | 0 |
| (10) John Gupta President & CEO (Jan-Oct) | 40 0 | | | х | | | | 0 | 0 | 0 |
| (11) Patrick Sullivan VP & Chief Operating Officer | 40 0 | | | х | | | | 0 | 0 | 0 |
| (12) Ann C Oswald VP & CFO (Jan-Oct) | 40 0 | | | х | | | | 0 | 0 | 0 |
| (13) Robert Mariani VP & CFO (Oct-Dec) | 40 0 | | | х | | | | 0 | 0 | 0 |
| (14) Ebone E McIntosh VP & CQO (Jan-May) | 40 0 | | | х | | | | 32,308 | 0 | 0 |
| (15) Pradeep Chandra Chief Medical Officer | 40 0 | | | х | | | | 440,159 | 0 | 0 |
| (16) Patria Cathill Chief Nursing Officer | 40 0 | | | х | | | | 198,573 | 0 | 0 |
| (17) Venra Mathurin VP Human Resources (Jan-May) | 40 0 | | | Х | | | | 96,625 | 0 | 0 |

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

| | (4) | (5) | Τ | | <u>~`</u> | | | | (n) | (E) | | (=) | |
|------------------------------------|--|--|-----------------------------------|-----------------------|-----------------------|-----------------------|------------------------------|---|--|--|---|---|--|
| | (A) Name and Tıtle | (B) Average hours per week (describe | unles an | on (d e tha | n one son er ar | e bo is bo nd a | x, oth | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099- MISC) | | Estima amount o compens from t organizati | ted fother ation he on and |
| | | hours for related organizations in Schedule O) | Individual trustee or director | Institutional Trustee | Officei | Key employee | Highest compensated employee | Former | | MISC) | | organiza | |
| (18) Radio | Khaleda Billah logist | 40 0 | | | | | Х | | 310,768 | | 0 | | 0 |
| ٠, | Serge Balmır logıst | 40 0 | | | | | Х | | 305,556 | | 0 | | 0 |
| | Lodze Quitel iysician | 40 0 | | | | | х | | 286,461 | | 0 | | 0 |
| . , | victor Kwong natrist | 40 0 | | | | | х | | 260,958 | | 0 | | 0 |
| | Yevgenıy Khaldarrov ıatrıst | 40 0 | | | | | Х | | 257,853 | | 0 | | 0 |
| 1b c d 2 | Sub-Total | to Part VII, Sec | tion A | thos | | | above | ► Note: The second sec | 2,249,407 o received more tha | | 0 | | 0 |
| | \$100,000 of reportable compens | | Jigailiz | 2011 | -23 | <u> </u> | | | | | | 1 1 | |
| 3 | Did the organization list any form on line 1a? <i>If</i> "Yes," complete Sch | | | | | | | | | ated employee | 3 | Yes | No No |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual | | | | | | | | | | 4 | Yes | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule I for such person | | | | | | | | | r individual for | 5 | | No |
| Section B. Independent Contractors | | | | | | | | | | | | | |

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|-----------------------------|----------------------------|
| KURRON SHARES OF AMERICA 700 HICKSVILLE ROAD BETHPAGE, NY 11714 | MANAGEMENT SERVICE | 3,257,065 |
| SODEXHO INC AFFILIATES PO BOX 360170 PITTSBURGH, PA 152516170 | DIET & HOUSEKEEPING | 1,976,909 |
| SECURITAS SECURITY SERVICES USA IN PO BOX 403412 ATLANTA, GA 303843412 | SECURITY SERVICE | 1,770,864 |
| NAVIN HAFFTY ASSOCIATES LLC 200 CORDWAINER DR SUITE 100 NORWELL, MA 02061 | IT CONSULTANT | 1,475,598 |
| CARLUCCI GIARDINA LLP 11 EAST 44TH STREET SUITE 901 NEW YORK, NY 10017 | LEGAL SERVICES | 821,873 |
| 2 Total number of independent contractors (including but not limited to those listed above | who received more than | |

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►33

| Form 99 | | | | | | | | Page 9 |
|---|----------|---|--------------|---------------|----------------------|--|---|---|
| Part V | / | Statement of Revenue | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512,513,or 514 |
| ats ats | 1a | Federated campaigns | 1 a | | | | | |
| 턴 | ь | Membership dues | . 1b | | | | | |
| s,g a∰ | c | Fundraising events | 1c | | | | | |
| 無無 | d | Related organizations | . 1d | | | | | |
| ω <u>.</u> Έ | e | Government grants (contributions) | 1e | 3,474,397 | | | | |
| ior F | f | All other contributions, gifts, grants similar amounts not included above | | 789,209 | | į | | İ |
| Contributions, gifts, grants and other similar amounts | g | Noncash contributions inclu | | | | | | |
| 털 | | lines 1a-1f \$ | | | | | | |
| သည်။ | h | Total. Add lines 1a-1f | | 🖊 | 4,263,606 | | | |
| <u> </u> | | | | Business Code | | | | |
| eun | 2a | NET PATIENT SERVICE REVENUE | | 621990 | 194,531,403 | 194,531,403 | | |
| Program Serwce Revenue | ь | | | | | | | |
| 93 | С | | | | | | | |
| W. | d | | | | | | | |
| S = | e | | | | | | | |
| <u>></u> | f | All other program service re | venue | | | | | |
| ξ | g | Total. Add lines 2a-2f . | | | 194,531,403 | | | |
| | 3 | Investment income (includi | | | , , | | | |
| | | and other similar amounts) | | ▶ | 2,193,632 | | | 2,193,632 |
| | 4 | Income from investment of tax-ex | kempt bond p | proceeds 🕨 🕨 | 0 | | | |
| | 5 | Royalties | | | 0 | | | |
| | _ | (ı) Rea | | (II) Personal | | | | |
| | 6a | Gross rents Less rental | 535,085 | | | | | |
| | b | expenses | | | | | | |
| | C | Rental income or (loss) | 535,085 | | | | | |
| | d | Net rental income or (loss) | | | 535,085 | | | 535,085 |
| | | (ı) Securi | ties | (II) Other | | | | |
| | 7a | Gross amount from sales of | | 100,000 | | | | |
| | | assets other than inventory | | | | | | |
| | ь | Less cost or other basis and | | | | | | |
| | | sales expenses | | 100,000 | | | | |
| | c d | Gain or (loss) | | | 100,000 | | | 100,000 |
| | 8a | Net gain or (loss) Gross income from fundrais | 1 | | 100,000 | | | 100,000 |
| Other Revenue | | events (not including \$ of contributions reported on See Part IV, line 18 | line 1c) | | | | | |
| r Re | ь | Less direct expenses . | a b | | | | | |
| the | С | Net income or (loss) from fu | ndraising e | events 🟲 | 0 | | | |
| 0 | 9a | Gross income from gaming a See Part IV, line 19 | | | | | | |
| | ь | Less direct expenses . | | | | | | |
| | С | Net income or (loss) from ga | 1 | vities 🛌 | 0 | | | |
| | 10a | Gross sales of inventory, lear returns and allowances. | a a | | | | | |
| | ь | Less cost of goods sold . | . ь | | | | | |
| | С | Net income or (loss) from sa | ales of inve | ntory 🟲 | 0 | | | |
| | | Miscellaneous Revenue | | Business Code | <u></u> | | | A == 0 = 1 |
| | 11a | ELECTRONIC HEALTH RECORDS INCENTIVE PAYMENTS | | 900099 | 2,566,867 | | | 2,566,867 |
| | ь | MEDICAL STUDENT TRAII | NING | 900099 | 1,865,425 | 1,865,425 | | |
| | С | VENDOR | | 900099 | 298,702 | | | 298,702 |
| | d | DISCOUNTS/REBATES All other revenue | —— | | 167,909 | | | 167,909 |
| | e | Total. Add lines 11a-11d | L | | 201,503 | | | 107,505 |
| | 12 | Total revenue. See Instruct | | ▶ | 4,898,903 | 106 206 929 | | E 962 10E |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

| | neck if Schedule O contains a response to any question in this Part IX | | | | |
|----|--|-----------------------|---|---|--|
| | ot include amounts reported on lines 6b, o, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
| 1 | Grants and other assistance to governments and organizations in the United States See Part IV, line 21 | 0 | | | |
| 2 | Grants and other assistance to individuals in the United States See Part IV, line 22 | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16 | 0 | | | |
| 4 | Benefits paid to or for members | 0 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | 827,811 | | 827,811 | |
| 6 | Compensation not included above, to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$ | 0 | | | |
| 7 | Other salaries and wages | 103,241,999 | 84,265,412 | 18,976,587 | |
| 8 | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | 5,151,346 | 5,151,184 | 162 | |
| 9 | Other employee benefits | 18,490,952 | 14,342,141 | 4,148,811 | |
| 10 | Payroll taxes | 7,815,650 | | 7,815,650 | |
| 11 | Fees for services (non-employees) | | | | |
| а | Management | 3,260,287 | | 3,260,287 | |
| b | Legal | 1,822,813 | 1,822,813 | | |
| c | Accounting | 163,042 | | 163,042 | |
| d | Lobbying | 0 | | | |
| e | Professional fundraising See Part IV, line 17 | 0 | | | |
| f | Investment management fees | 0 | | | |
| g | Other | 14,919,640 | 5,467,614 | 9,452,026 | |
| 12 | Advertising and promotion | 0 | , , | | _ |
| 13 | Office expenses | 5,586,521 | 1,392,346 | 4,194,175 | |
| 14 | Information technology | 0 | , , | | |
| 15 | Royalties | 0 | | | |
| 16 | Occupancy | 3,166,346 | 1,381,824 | 1,784,522 | |
| 17 | Travel | 36,608 | 11,799 | 24,809 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials | 0 | 11,133 | 2.,,005 | |
| 19 | Conferences, conventions, and meetings | 51,985 | 32,868 | 19,117 | - |
| 20 | Interest | 6,603,155 | 5,942,840 | 660,315 | |
| 21 | Payments to affiliates | 0 | , , | , | |
| 22 | Depreciation, depletion, and amortization | 14,952,473 | 13,457,226 | 1,495,247 | |
| 23 | Insurance | 2,683,308 | 2,414,977 | 268,331 | _ |
| 24 | Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O) | | | | |
| a | PROVISION FOR BAD DEBT | 14,505,259 | 14,505,259 | | |
| b | MEDICAL SUPPLIES | 10,830,970 | 10,830,970 | | |
| c | PATIENT FOOD SERVICES | 2,231,385 | 2,231,385 | | |
| d | COLLECTION FEES | 1,589,434 | 1,589,434 | | |
| e | | | | | |
| f | All other expenses | 309,472 | 22,873 | 286,599 | |
| 25 | Total functional expenses. Add lines 1 through 24f | 218,240,456 | 164,862,965 | 53,377,491 | 0 |
| 26 | Joint costs. Check here ► ☐ If following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | rm 990 (2011) |

| Pa | rt X | Balance Sheet | | | | | |
|-----------|------|--|--------------|-----------------|--------------------------|-----------|---------------------------|
| | | | | | (A) Beginning of year | | (B) End of year |
| | 1 | Cash—non-interest-bearing | | | 0 | 1 | 0 |
| | 2 | Savings and temporary cash investments \ldots \ldots \ldots . | | | 2,531,134 | 2 | 9,914,451 |
| | 3 | Pledges and grants receivable, net | | | 1,101,067 | 3 | 1,686,946 |
| | 4 | Accounts receivable, net | | | 17,256,132 | 4 | 18,411,552 |
| | 5 | Receivables from current and former officers, directors, trustee highest compensated employees Complete Part II of | | | | | |
| | | Schedule L | | | 0 | 5 | 0 |
| | 6 | Receivables from other disqualified persons (as defined under spersons described in section $4958(c)(3)(B)$ Complete Part II of | | 4958(f)(1)) and | | | |
| 76 | | Schedule L | | | 0 | 6 | 0 |
| Assets | 7 | Notes and loans receivable, net | | | 0 | 7 | 0 |
| 88 | 8 | Inventories for sale or use | | | 1,077,253 | 8 | 580,066 |
| ⋖ | 9 | Prepaid expenses and deferred charges | | | 149,138 | 9 | 262,431 |
| | 10a | Land, buildings, and equipment cost or other basis <i>Complete Part VI of Schedule D</i> | 10a | 164,641,679 | | | |
| | ь | Less accumulated depreciation | 10b | 78,077,209 | 106,115,433 | 10c | 86,564,470 |
| | 11 | Investments—publicly traded securities | | | 18,753,918 | 11 | 23,022,902 |
| | 12 | Investments—other securities See Part IV, line 11 | 0 | 12 | 5,106,853 | | |
| | 13 | Investments—program-related See Part IV, line 11 | 0 | 13 | 0 | | |
| | 14 | Intangible assets | 0 | 14 | 0 | | |
| | 15 | Other assets See Part IV, line 11 | 31,926,465 | 15 | 21,190,190 | | |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | | 178,910,540 | 16 | 166,739,861 |
| | 17 | Accounts payable and accrued expenses . | | | 22,118,473 | 17 | 83,976,034 |
| | 18 | Grants payable | 0 | 18 | 0 | | |
| | 19 | Deferred revenue | 345,726 | 19 | 0 | | |
| | 20 | Tax-exempt bond liabilities | 122,475,000 | 20 | 118,880,000 | | |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedu | 0 | 21 | 0 | | |
| abilities | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified | | | | | |
| 죭 | | persons Complete Part II of Schedule L | | | 0 | 22 | 0 |
| Ï | 23 | Secured mortgages and notes payable to unrelated third parties | 28,188,567 | 23 | 37,985,855 | | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 0 | 24 | 0 |
| | 25 | Other liabilities (including federal income tax, payables to relat and other liabilities not included on lines 17-24) Complete Par | | | | | |
| | | D | | | 145,903,538 | | 108,257,265 |
| | 26 | Total liabilities. Add lines 17 through 25 | | _ | 319,031,304 | 26 | 349,099,154 |
| Balances | | Organizations that follow SFAS 117, check here ► ✓ and comp through 29, and lines 33 and 34. | olete I | ines 27 | | | |
| 튭 | 27 | Unrestricted net assets | -143,666,479 | 27 | -183,628,656 | | |
| e E | 28 | Temporarily restricted net assets | 2,436,867 | 28 | 160,515 | | |
| Ξ | 29 | Permanently restricted net assets | | 1,108,848 | 29 | 1,108,848 | |
| or Fund | | Organizations that do not follow SFAS 117, check here ► □ at lines 30 through 34. | nd con | plete | | | |
| | 30 | Capital stock or trust principal, or current funds | | | | 30 | |
| Ą | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | | 31 | |
| Assets | 32 | Retained earnings, endowment, accumulated income, or other fu | | | | 32 | |
| Net | 33 | Total net assets or fund balances | | | -140, 120, 764 | | -182,359,293 |
| Ź | 34 | Total liabilities and net assets/fund balances | | | 178,910,540 | | 166,739,861 |
| | | | | | 1 | | |

| | Check if Schedule O contains a response to any question in this Part XI | | | . [~ | |
|-----|---|---------|----|--------|---------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | | | 206.5 | |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | | | 240,456 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | | -11,7 | 717,827 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | | -140,1 | 120,764 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O) | 5 | | -30,5 | 520,702 |
| 6 | Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | | -182,3 | 359,293 |
| Par | The contains a response to any question in this Part XII | | | ୮ | |
| 1 | Accounting method used to prepare the Form 990 | | | Yes | No |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? | | 2a | | No |
| b | Were the organization's financial statements audited by an independent accountant? | | 2b | Yes | |
| C | If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of to 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 its Schedule O | | 2c | Yes | |
| d | If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were is on a separate basis, consolidated basis, or both | ssued | | | |
| _ | Separate basis Consolidated basis Both consolidated and separated basis | | | | |
| За | 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? | e | За | Yes | |
| b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the raudit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | equired | 3b | Yes | |

Additional Data

Software ID: Software Version:

EIN: 11-2626155

Name: INTERFAITH MEDICAL CENTER INC

Form 990, Special Condition Description:

Special Condition Description

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493032013623

OMB No 1545-0047

Inspection

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury Internal Revenue Service

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

Public Charity Status and Public Support

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

| | | e organi: MEDICAL (| zation CENTER INC | | | | | | Employer i | dent if icat io | n number |
|----|----------|---|---|---|----------------------------|-----------------|---|---------------|-----------------|-----------------|---------------------|
| | | | | | | | | | 11-26261 | | |
| | rt I | | | blic Charity Sta | | | | | | structions | |
| | rganı | | | te foundation becaus | | | - | | x) | | |
| 1 | <u> </u> | | | on of churches, or a | | | |)(1)(A)(i). | | | |
| 2 | <u> </u> | | | in section 170(b)(1 | | | | | | | |
| 3 | <u>고</u> | | | perative hospital se | | | | | | | |
| 4 | Γ | 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 | Γ | 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 P | art II) | | | | | | |
| 6 | \sqcap | A feder | al, state, or | local government o | r government | al unit desc | rıbed ın secti | on 170(b)(1 |)(A)(v). | | |
| 7 | Γ | describ | oed in | at normally receives | | ıl part of its | support from | a governmei | ntal unit or fr | om the gene | ral public |
| | _ | | | (A)(vi) (Complete P | | | | | | | |
| 8 | <u> </u> | | · · | described in section | | | - | = | | | |
| 9 | ı | | | at normally receives | | | | | | | |
| | | - | | ities related to its e | • | - | | - | | | |
| | | • | | oss investment inco | | | | • | | tax) irom bus | sillesses |
| 10 | _ | | | ganization after June ganized and operated | | | | | | | |
| 11 | <u>'</u> | | | ganized and operated ganized and operated | | | | | | o carry out t | he nurnoses of |
| | 1 | | | ly supported organiz | | | | | | | |
| | | the box | box that describes the type of supporting organization and complete lines 11e through 11h | | | | | | | | |
| | _ | | Type I | b | | | - Functional | | | | III - Other |
| е | ı | other t | _ | ox, I certify that the on managers and ot | _ | | - | | | - | • |
| f | | | | received a written d | etermination | from the IRS | 5 that it is a | Type I. Type | II or Type I | II supportin | a organization. |
| | | | this box | | | | 5 that it is a Type I, Type II or Type III supporting organization, | | | | |
| g | | | | 2006, has the organ | ızatıon accep | ted any gift | or contributi | on from any o | of the | | |
| | | | ng persons? erson who di | rectly or indirectly c | ontrols eith | eralone orto | naether with | persons desc | cribed in (ii) | | Yes No |
| | | | | governing body of th | | | _ | | | 11g(| |
| | | - | - | er of a person descri | | = | | | | 11g(| |
| | | (iii) a 3 | 35% control | lled entity of a perso | n described i | n (ı) or (ıı) a | bove? | | | 11g(i | |
| h | | Provide | e the followi | ng information about | the supporte | ed organizati | on(s) | | | | |
| | | | | | _ | | | | _ | | |
| | | | | (iii) | (iv) | | (v) | | (vi) | | |
| | (i) | ı | | Type of organization | Is the | | Did you not | ify the | Is the | | |
| | Name | | (ii) | (described on | organızatı col (ı) lıst | | organızatı | | organızatı | | (vii) A mount of |
| | uppo | | EIN | lines 1 - 9 above | your gove | | col (ı) of | | col (ı) orga | | support? |
| 10 | ganız | ation | | or IRC section (see | docume | | suppor | ני | ın the U | <i>3</i> ′ | |
| | | | | instructions)) | Yes | No | Yes | No | Yes | No | 1 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Total

instructions

| Sch | edule A (Form 990 or 99 | 90-EZ)2011 | | | | | | Page 2 |
|--------|--|------------------|-------------------------|---------------------|------------------------|---|---------------------|--------------------|
| | (Complet | e only if you | checked the | box on line 5, | 7, or 8 of Part | (b)(1)(A)(iv) I or if the orgar | nızatıon faıle | d to qualify |
| | | | <u>organızatıon f</u> | fails to qualify ι | <u>under the tests</u> | listed below, pl | <u>lease comple</u> | ete Part III.) |
| | ection A. Public Su | | | | | Т | 1 | |
| Cal | endar year (or fiscal ye in) | ar beginning | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
| 1 | Gifts, grants, contribut | ions, and | | | | | | |
| | membership fees recei | | | | | | | |
| | ınclude any "unusual | | | | | | | |
| _ | grants ") Tax revenues levied fo | rtho | | | | | | |
| 2 | organization's benefit a | | | | | | | |
| | paid to or expended on | | | | | | | |
| | behalf | | | | | | | |
| 3 | The value of services of | | | | | | | |
| | furnished by a governme the organization withou | | | | | | | |
| 4 | Total. Add lines 1 thro | _ | | | | | | |
| 5 | The portion of total cor | - | | | | | | |
| - | by each person (other | than a | | | | | | |
| | governmental unit or p | • | | | | | | |
| | supported organization line 1 that exceeds 2% | | | | | | | |
| | amount shown on line 1 | | | | | | | |
| | (f) | 21,0014 | | | | | | |
| 6 | Public Support. Subtractine 4 | ct line 5 from | | | | | | |
| S | ection B. Total Sup | port | | | | | | |
| Cal | endar year (or fiscal yea | r beginning | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
| _ | ın) | _ | (4) 2007 | (2) 2000 | (4) 2005 | (4) 2020 | (0) 2022 | (1) 1 3 4 4 |
| 7 8 | A mounts from line 4 Gross income from inte | rost – | | | | | | |
| 0 | dividends, payments re | | | | | | | |
| | securities loans, rents | | | | | | | |
| | and income from simila | ır | | | | | | |
| _ | sources | | | | | | | |
| 9 | Net income from unrela business activities, wh | | | | | | | |
| | not the business is reg | | | | | | | |
| | carried on | | | | | | | |
| 10 | Other income (Explain | | | | | | | |
| | IV) Do not include gai from the sale of capital | | | | | | | |
| 11 | Total support (Add line | | | | | | | |
| | through 10) | | | | | | | |
| 12 | Gross receipts from re | lated activities | s, etc (See inst | ructions) | | | 12 | |
| 13 | First Five Years If the | | r the organizati | on's first, second | l, thırd, fourth, or | fıfth tax year as a | 501(c)(3) or | |
| | check this box and sto | p here | | | | | | ▶ □ |
| S | ection C. Computat | ion of Publ | ic Support F | Percentage | | | | |
| 14 | Public Support Percen | tage for 2011 | (line 6 column | (f) dıvıded by lıne | 11 column (f)) | | 14 | |
| 15 | Public Support Percen | tage for 2010 | Schedule A , Pa | rt II, line 14 | | | 15 | |
| 16a | 33 1/3% support test- | | | | | line 14 is 33 1/3% | % or more, che | |
| h | and stop here. The org 33 1/3% support test- | | | | | 6a and line 15 is | 33 1/20% or m | ore check this |
| D | box and stop here. The | | | | | oa, and inte 15 IS | 1/3%0 UI M | ore, check this |
| 17a | 10%-facts-and-circum | - | • | | - | ne 13, 16a, or 16 | b and line 14 | ٠, |
| | ıs 10% or more, and ıf | | | | | | | |
| | in Part IV how the orga | anızatıon meet | s the "facts and | d circumstances" | test The organiz | zatıon qualıfıes as | a publicly su | |
| b | organization 10%-facts-and-circum | stances test— | 2010. If the ora | anization did not | check a hov on li | ne 13, 16a 16b | or 17a and lin | ▶ □ |
| , | 15 is 10% or more, an | | | | | | | - |
| | Explain in Part IV how | the organizati | | | | | | |
| 10 | supported organization Private Foundation If t | | n did not chools | a hov on line 12 | 16a 16h 17a a | or 17h chack this | hov and coc | ► □ |

▶□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 Part III Support Schedule for Organizations Described in IRC 509(a)(2) (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

33 1/3% support tests-2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

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▶[

| Part IV | Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions). | | | | | | | |
|------------------------------|--|--|--|--|--|--|--|--|
| | | | | | | | | |
| Facts And Circumstances Test | | | | | | | | |
| | | | | | | | | |
| Explanation | | | | | | | | |
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Schedule A (Form 990 or 990-EZ) 2011

DLN: 93493032013623

OMB No 1545-0047

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

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.

Political Campaign and Lobbying Activities

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

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

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

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

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

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

| Name of the | organization | |
|--------------|----------------------|-----|
| INTERFAITH M | EDICAL CENTER | INC |

Employer identification number

11-2626155

| <u> 2011</u> | | Complete in the organization is exempt under section 501(c) or is a section 527 of | ı yanızadıdı. |
|--------------|-------|--|---------------|
| | | | |
| 1 | Provi | yide a description of the organization's direct and indirect political campaign activities on behalf of or | |

in opposition to candidates for public office in Part IV

mulate if the examination is example under section EO1/s) or is a

- Political expenditures
- Volunteer hours

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

- Enter the amount of any excise tax incurred by the organization under section 4955 1
- 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?
- Was a correction made?
- If "Yes," describe in Part IV

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

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
- Did the filing organization file Form 1120-POL for this year? Yes 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) A mount paid from filing organization's funds If none, enter -0- | (e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none, enter - 0- |
|----------|---------------------|----------------|--|--|
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| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

f Grassroots lobbying expenditures

| (The term "expenditures" means amounts paid or incurred.) Lia 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 If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not 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 \$1,000,000 but not over \$1,000,000 \$1,000,000 g Grassroots nontaxable amount (enter 25% of line 1f) 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) | ווטפ | edule C (F | 01111 9 9 0 01 9 9 0 - EZ) 2 0 1 1 | | | | | Page ∠ |
|--|------|--------------|--|---------------------------|-----------------------|------------------|--------------------------|------------------|
| A Check If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member expenses, and share of excess lobbying expenditures) 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.) Organization Total Incurred (The term "expenditures" means amounts paid or incurred.) | Pa | rt II-A | | n is exempt under | section 501(| c)(3) and fi | iled Form 5768 | (election |
| expenses, and share of excess lobbying expenditures) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures to influence public opinion (grass roots lobbying) Lobbying expenditures to influence a legislative body (direct lobbying) Total lobbying expenditures (add lines 1a and 1b) Other exempt purpose expenditures Total obtaining purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: Not over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 Over \$1,0 | ١ | Check | | an affiliated group (and | lıst ın Part IV ea | ch affiliated gr | oup member's nam | e, address, EIN, |
| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Total lobbying expenditures to influence public opinion (grass roots lobbying) Total lobbying expenditures (add lines 1 aand 1b) Other exempt purpose expenditures (add lines 1 aand 1b) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line Le, column (a) or (b) is: If the amount on line Le, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Fig. Soon over \$1,000,000 Fig. Soon ov | | | expenses, and share of excess lob | bying expenditures) | | _ | • | |
| 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 If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Diver \$500,000 Diver \$500,000 Diver \$500,000 but not over \$1,000,000 Diver \$1,000,000 but not over \$1,000,0 | 3 | Check | ıf the filing organization checked bo | ox A and "limited contro | ol" provisions app | ly | 1 | 1 |
| (The term "expenditures" means amounts paid or incurred.) Ital Total lobbying expenditures to influence public opinion (grass roots lobbying) b 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 If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S1225,000 plus 10% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 S11,000,000 F11,000,000 | | | Limits on Lobbying | Expenditures | | | (a) Filing | (b) Affiliated |
| Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S100,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 Over \$1,000,000 Over \$1,000,000 The lobbying nontaxable amount is: Not over \$500,000 Over \$1,000,000 Over \$1,000,00 | | | | | l.) | | Organization's Totals | Group Totals |
| 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 If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,7000,000 Over \$1,000,000 but not over \$1,7000,000 S225,000 plus 15% of the excess over \$1,000,000 Over \$1,7000,000 Over \$1,7000,000 F17,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$1,7000,000 F17,000,000 S1,000,000 F17,000,000 F17,000, | | - | | | 1 \ | | 100013 | 1 ocars |
| 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 If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 In the excess over \$1,000,000 F1,000,000 F1,000,0 | | | | · - | | | | |
| d O ther exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000 | | | | | ying) | | | |
| Total exempt purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: | | | , | b) | | | | |
| f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$17,000,000 but not over \$1,7000,000 Over \$17,000,000 but not over \$17,000,000 S225,000 plus 10% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 Over \$17,000,000 S225,000 plus 5% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 S1,000,000 S1,000,0 | d | Otherexe | empt purpose expenditures | | | | | |
| Columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$500,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 Over \$1,500,000 S1,000,000 | e | Total exe | mpt purpose expenditures (add lines 1 | .c and 1d) | | | | |
| Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,000,000 Over \$1,500,000 but not over \$1,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 S1,000,000 Grassroots nontaxable amount (enter 25% of line 1f) Subtract line 1g from line 1a If zero or less, enter -0- Subtract line 1f from line 1c If zero or less, enter -0- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount | f | | nontaxable amount Enter the amount | from the following table | in both | | | |
| 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 \$1,000,000 \$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 \$1,000,00 | | If the an | ount on line 1e, column (a) or (b) is: | The lobbying nontax | able amount is: | | | |
| Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Section \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 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 1ffrom 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount | | Not over \$5 | 500,000 | 20% of the amount on lii | ne 1e | | | |
| 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 \$1,00 | | Over \$500, | 000 but not over \$1,000,000 | \$100,000 plus 15% of the | e excess over \$500,0 | 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount | | Over \$1,00 | 0,000 but not over \$1,500,000 | \$175,000 plus 10% of the | e excess over \$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 1ffrom 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount | | Over \$1,50 | 0,000 but not over \$17,000,000 | \$225,000 plus 5% of the | excess over \$1,500, | 000 | | |
| 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount | | Over \$17,0 | 00,000 | \$1,000,000 | | | | |
| 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount | | | | | | | | |
| 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount | | Grassroo | ts nontaxable amount (enter 25% of li | ne 1f) | | | | |
| 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount | h | Subtract | line 1a from line 1a If zero or less. en | ter -0 - | | | | |
| Jection 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying ceiling amount | | | | | | | | |
| 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete al columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount | | | | | organization file | Form 4720 re | portina | |
| (Some organizations that made a section 501(h) election do not have to complete al columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount | | | | | | | F - 1 - 1 - 1 - 1 | ┌ Yes ┌ No |
| Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 2009 Lobbying non-taxable amount | | (Sor | ne organizations that made a | section 501(h) el | ection do not | have to co | | ne five |
| beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying non-taxable amount b Lobbying ceiling amount | | | Lobbying Exp | enditures During | 4-Year Avera | ging Period | d | |
| b Lobbying ceiling amount | | | | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) Total |
| | 2a | Lobbyin | g non-taxable amount | | | | | |
| | b | | | | | | | |
| c Total lobbying expenditures | c | Total loi | obying expenditures | | | | | |
| | | | | | | | | |
| d Grassroots non-taxable amount | d | Grassro | ots non-taxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | e | | | | | | | |

| 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)). | |

| | | (6 | 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 | | | |
| а | Volunteers? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | No | |
| c | Media advertisements? | | No | |
| d | Mailings to members, legislators, or the public? | | No | |
| e | Publications, or published or broadcast statements? | | Νo | |
| f | Grants to other organizations for lobbying purposes? | | Νo | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | Yes | | 84,358 |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? If "Yes," describe in Part IV | Yes | | 58,194 |
| j | Total lines 1c through 1i | | | 142,552 |
| 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 | | ľ | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | No | |

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

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

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

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

Part IV Supplemental Information

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

| Identifier | Return Reference | Explanation |
|------------------|--------------------|--|
| OTHER ACTIVITIES | PART II-B, LINE 1I | INTERFAITH MEDICAL CENTER PAYS DUES TO THE |
| DESCRIPTION | · | GREATER NEW YORK HOSPITAL ASSOCIATION (GNYHA) |
| | | IN ACCORDANCE WITH SECTION 6033 (E) OF THE |
| | | INTERNAL REVENUE CODE, AND AS REPORTED BY GNYHA |
| | | A PORTION OF THESE DUES ARE ATTRIBUTABLE TO |
| | | LOBBYING ACTIVITIES THE LOBBYING ACTIVITIES |
| | | APPLICABLE TO 2011 GNYHA ANNUAL DUES WAS \$7,478 |
| | | IN CONNECTION WITH COLLECTIVE BARGAINING |
| | | NEGOTIATIONS BETWEEN INTERFAITH MEDICAL CENTER |
| | | AND 1199/CEIU, CERTAIN EMPLOYER CONTRIBUTION |
| | | AMOUNTS THAT GO TO THE LABOR MANAGEMENT |
| | | INITIATIVE (FORMERLY CALLED THE PLANNING AND |
| | | PLACEMENT FUND) AND THE JOB SECURITY FUND ARE |
| | | ALLOCATED TO HEALTHCARE EDUCATION PROJECT(HEP) |
| | | FOR ITS PROGRAMS, SERVICES, AND ACTIVITIES A |
| | | PORTION OF SUCH FUNDS THAT HEP RECEIVES IS USED |
| | | FOR LOBBYING PURPOSES IN CONNECTION WITH NEW |
| | | YORK STATE AND FEDERAL POLICY ISSUES INTERFAITH |
| | | MEDICAL CENTER'S PRO-RATED SHARE OF HEP LOBBYING |
| | | EXPENSES FOR 2011 IS \$50,716 ADDITIONALLY, THE |
| | | ORGANIZATION HAS CONTRACTS WITH LOBBYISTS WHO |
| | | WERE ENGAGED TO LOBBY LEGISLATORS ON BEHALF OF |
| | | THE ORGANIZATION REGARDING POLICIES WHICH |
| | | IMPACT THE ORGANIZATION'S EXEMPT PURPOSE AND |
| | | WHICH PERTAIN TO PUBLIC HEALTH CARE DURING 2011 |
| | | INTERFAITH MEDICAL CENTER PAID \$84,358 IN |
| | | CONNECTION WITH THESE SERVICES |

DLN: 93493032013623

OMB No 1545-0047

Open to Public Inspection

SCHEDULE D

(Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

Supplemental Financial Statements

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

Employer identification number

| NTER | FAITH MEDICAL CENTER INC | | | , | | |
|-------------|--|---|-----------|-----------------------|------------------|-----------|
| | | | | 2626155 | | |
| 'ar | Organizations Maintaining Donor Action organization answered "Yes" to Form 99 | | unds | or Accounts | s. Comple | te if the |
| | organization answered Tes to Form 93 | (a) Donor advised funds | Т (| (b) Funds and | other accou | nts |
| Т | otal number at end of year | | | · · | | |
| Þ | Aggregate contributions to (during year) | | | | | |
| 4 | Aggregate grants from (during year) | | | | | |
| Þ | Aggregate value at end of year | | | | | |
| | Did the organization inform all donors and donor advi unds are the organization's property, subject to the | | nor advi | sed | ┌ Yes | |
| (| Old the organization inform all grantees, donors, and used only for charitable purposes and not for the ben | | | | ┌ Yes | □ No |
| | conferring impermissible private benefit Conservation Easements. Complete | if the organization answered "Yes" | to Forn | 1 990 Part I | <u>'</u> | , |
| | Purpose(s) of conservation easements held by the o | | 10 1 0111 | 1 330, 1 4111 | • , iiie 7 : | |
|]]] | Preservation of land for public use (e g , recreating Protection of natural habitat Preservation of open space | | | | | a |
| | Complete lines 2a-2d if the organization held a qual | ified conservation contribution in the form | m of a co | onservation | | |
| | , , | | | Held at the | End of the | Year |
| • | Total number of conservation easements | | 2a | | | |
| | Total acreage restricted by conservation easements | 3 | 2b | | | |
| ı | Number of conservation easements on a certified his | storic structure included in (a) | 2c | | | |
| ı | Number of conservation easements included in (c) a | cquired after 8/17/06 | 2d | | | |
| | Number of conservation easements modified, transfe the taxable year ► | erred, released, extinguished, or terminat | ed by th | ie organization | during | |
| ı | Number of states where property subject to conserva | ation easement is located 🛌 | | | | |
| l | Does the organization have a written policy regarding enforcement of the conservation easements it holds | g the periodic monitoring, inspection, har ? | ndling of | violations, and | ☐ Yes | ┌ No |
| | Staff and volunteer hours devoted to monitoring, insp | pecting and enforcing conservation easer | ments d | uring the year | . | |
| | Amount of expenses incurred in monitoring, inspecti | | | | , | |
| | ▶ \$ | , | | , | | |
| ı | Ooes each conservation easement reported on line 2 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? | 2(d) above satisfy the requirements of se | ction | | ┌ Yes | ┌ No |
| ١ | In Part XIV, describe how the organization reports coalance sheet, and include, if applicable, the text of the organization's accounting for conservation easer | the footnote to the organization's financia | | | | |
| | Organizations Maintaining Collection Complete if the organization answered | ons of Art, Historical Treasures, | or Otl | her Similar | Assets. | |
| i | If the organization elected, as permitted under SFAS art, historical treasures, or other similar assets held provide, in Part XIV, the text of the footnote to its fir | 5 116, not to report in its revenue statem I for public exhibition, education or resea | rch ın fu | | | ≘, |
| - 1 | If the organization elected, as permitted under SFAS nistorical treasures, or other similar assets held for provide the following amounts relating to these items | public exhibition, education, or research | | | • | |
| (| (i) Revenues included in Form 990, Part VIII, line 1 | | | ▶ \$ | | |
| (| (ii) Assets included in Form 990, Part X | | | | | |
| 1 | If the organization received or held works of art, hist following amounts required to be reported under SFA | | for finan | | | |
| | Revenues included in Form 990, Part VIII, line 1 | - | | ▶ \$ | | |
| | | | | · + | | |

b Assets included in Form 990, Part X

| Part | Organizations Maintaining Co | llections of Art | <u>:, His</u> | tori | <u>cal Tre</u> | asures, or O | <u>the</u> | <u>r Similar A</u> | sset | S (co. | ntınued) |
|------|--|------------------------|---------------|----------|------------------------|--------------------|------------|--------------------------------|---------------|---------------|-----------|
| 3 | Using the organization's accession and other items (check all that apply) | r records, check an | y of th | ne foll | owing th | at are a significa | nt u | se of its colle | tion | | |
| а | Public exhibition | | d | \vdash | Loan or | r exchange progr | ams | | | | |
| b | Scholarly research | | e | Γ | Other | | | | | | |
| С | Preservation for future generations | | | | | | | | | | |
| 4 | Provide a description of the organization's c Part XIV | ollections and expla | ıın hov | w they | / further | the organization | 's ex | cempt purpose | ın | | |
| 5 | During the year, did the organization solicit assets to be sold to raise funds rather than | | | | | | | nılar | ┌ ʏ | es | ┌ No |
| Par | Escrow and Custodial Arrang Part IV, line 9, or reported an ar | jements. Comple | ete ıf | the | organız | ation answere | | es" to Form | 990, | | |
| 1a | Is the organization an agent, trustee, custod included on Form 990, Part X? | dian or other interme | ediary | for c | ontrıbutı | ons or other ass | ets | not | ┌ ¥ | es | ┌ No |
| b | If "Yes," explain the arrangement in Part XI | V and complete the | follow | ıng ta | able | Г | | Δ | mour | + | |
| С | Beginning balance | | | | | F | 1c | | IIIOuii | | |
| d | Additions during the year | | | | | | 1d | | | | |
| e | Distributions during the year | | | | | | 1e | | | | |
| f | Ending balance | | | | | F | 1f | | | | |
| 2a | Did the organization include an amount on F | orm 990 Part V lin | م 212 | | | L | | | Гγ | | |
| | If "Yes," explain the arrangement in Part XIV | · | e 21, | | | | | | , , | ES | 1 140 |
| | rt V Endowment Funds. Complete | | n and | word | d "Voc | " to Form 990 | Dar | t IV line 10 | | | |
| Ра | Endowment Funds. Complete | (a)Current Year | | Prior Y | | (c)Two Years Back | | Three Years Back | | Four Ye | ears Back |
| 1a | Beginning of year balance | 3,545,715 | ν-, | | 552,000 | 3,563,083 | _ | 3,699,84 | | | |
| b | Contributions | 36,761 | | | 12,261 | 9,145,21 | 3 | 4,591,00 | 0 | | |
| c | Investment earnings or losses | | | | | | | | | | |
| d | Grants or scholarships | | | | | | | | | | |
| e | Other expenditures for facilities and programs | 13,389 | | | 18,546 | 9,156,29 | 5 | 4,727,76 | 5 | | |
| f | Administrative expenses | 2,299,724 | | | | | | | | | |
| g | End of year balance | 1,269,363 | | 3, | 545,715 | 3,552,000 | 0 | 3,563,08 | 3 | | |
| 2 | Provide the estimated percentage of the year | r end balance held | as | | | | | | <u> </u> | | |
| а | Board designated or quasi-endowment | | | | | | | | | | |
| b | Permanent endowment ► 87 000 % | | | | | | | | | | |
| С | Term endowment ► 13 000 % | | | | | | | | | | |
| 3a | Are there endowment funds not in the posse | ssion of the organiz | ation | that a | re held a | and administered | d for | the | | | |
| | organization by | | | | | | | | | Yes | No |
| | (i) unrelated organizations | | | | | | | | (i) | | No |
| | (ii) related organizations | | | | | | | 3a | (ii) | | N o |
| | If "Yes" to 3a(II), are the related organization | • | | | | | • | 3 | Bb | | |
| 4 | Describe in Part XIV the intended uses of th | | | | | | | | | | |
| Par | t VI Land, Buildings, and Equipmo | ent. See Form 99 | 90, Pa | art X, | line 10 |). | | | $\overline{}$ | | |
| | Description of property | | | | Cost or ot (Investm | | | (c) Accumulate depreciation | d (| d) Boo | ok value |
| 1a | Land | | | | | 1,305 | ,622 | | | - | 1,305,622 |
| b I | Buildings | | | | | 27,573 | ,587 | 3,850,3 | 19 | 23 | 3,723,268 |
| c I | Leasehold improvements | | | | | 26,074 | ,784 | 9,136,8 | 38 | 16 | 5,937,946 |
| d I | Equipment | | | | | 77,806 | ,320 | 61,071,8 | 92 | 16 | 5,734,428 |
| e | Other | <u> </u> | | | | 31,881 | ,366 | 4,018,1 | 60 | 27 | 7,863,206 |
| Tota | I. Add lines 1a-1e <i>(Column (d) should equal F</i> | orm 990, Part X, colui | mn (B) |), line | 10(c).) | | | ► | \neg | 86 | 5,564,470 |
| | • | · | | | - | | | Schedule | D (Fo | orm 99 | 90) 2011 |

| Part VII Investments—Other Securities. See F | orm 990, Part X, line 12 | 2. | |
|---|--------------------------|----------------|--------------------------------------|
| (a) Description of security or category | (b)Book value | | d of valuation |
| (including name of security) | | Cost or end-of | -year market value |
| (1) Financial derivatives | | | |
| (2)Closely-held equity interests Other | | | |
| Other | | | |
| | | | |
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| | | | |
| Total. (Column (b) should equal Form 990, Part X, col (B) line 12) | | | |
| Part VIII Investments—Program Related. See | Form 990, Part X, line | | |
| (a) Description of investment type | (b) Book value | | d of valuation -year market value |
| | | Cost of end-of | - year market value |
| | | | |
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| | | | |
| Total. (Column (b) should equal Form 990, Part X, col (B) line 13) | | | |
| Part IX Other Assets. See Form 990, Part X, lin | e 15. | | |
| (a) Descrip | | | (b) Book value |
| (1) DEFERRED FINANCING COSTS | | | 1,922,181 |
| (2) OTHER LONG TERM ASSET | | | 8,333,965 |
| (3) DUE FROM 3RD PARTY PAYORS | | | 9,340,639 |
| (4) OTHER RECEIVABLES | | | 1,067,026 |
| (5) DUE FROM IM FOUNDATION | | | 526,379 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total. (Column (b) should equal Form 990, Part X, col.(B) line 15 | <u> </u> | <u>.</u> | 21,190,190 |
| Part X Other Liabilities. See Form 990, Part X | | | 21,190,190 |
| 1 (a) Description of Liability | (b) A mount | | |
| Federal Income Taxes | (b) Amount | | |
| | | | |
| DUE TO THIRD PARTY PAYORS | 30,039,038 | | |
| SELF-INSURED PROFESSIONAL LIABILITIES | 66,183,476 | | |
| DUE TO IM FOUNDATION | 9,810,073 | | |
| ACCRUED BOND INTEREST PAYABLE | 2,224,678 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total. (Column (b) should equal Form 990, Part X, col (B) line 25) | 100 257 265 | | |
| Total (Column (b) Should Equal Form 990, Fall A, COI (b) line 23) | 108,257,265 | | |

| FCI | Reconciliation of Change in Net Assets from Form 990 to Financial Statemen | 1115 | |
|-----------|--|---------|-------------|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | 1 | 206,522,629 |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 218,240,456 |
| 3 | Excess or (deficit) for the year Subtract line 2 from line 1 | 3 | -11,717,827 |
| 4 | Net unrealized gains (losses) on investments | 4 | -14,402 |
| 5 | Donated services and use of facilities | 5 | |
| 6 | Investment expenses | 6 | |
| 7 | Prior period adjustments | 7 | |
| 8 | Other (Describe in Part XIV) | 8 | 2,276,352 |
| 9 | Total adjustments (net) Add lines 4 - 8 | 9 | 2,261,950 |
| 10 | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | -9,455,877 |
| Par | t XII Reconciliation of Revenue per Audited Financial Statements With Revenue | er Ret | urn |
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 208,784,579 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | | |
| а | Net unrealized gains on investments | | |
| b | Donated services and use of facilities | | |
| C | Recoveries of prior year grants | | |
| d | Other (Describe in Part XIV) | | |
| e | Add lines 2a through 2d | 2e | 6,483,465 |
| 3 | Subtract line 2e from line 1 | 3 | 202,301,114 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1 | | |
| а | Investment expenses not included on Form 990, Part VIII, line 7b . 4a | | |
| b | Other (Describe in Part XIV) 4,221,515 | | |
| C | Add lines 4a and 4b | 4c | 4,221,515 |
| 5 | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12) | 5 | 206,522,629 |
| Paru 1 | Reconciliation of Expenses per Audited Financial Statements With Expenses Total expenses and losses per audited financial | s per K | 218,240,456 |
| • | statements | 1 | 210,240,430 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25 | | |
| а | Donated services and use of facilities | | |
| b | Prior year adjustments | | |
| c | Other losses | | |
| d | Other (Describe in Part XIV) 2d | | |
| e | Add lines 2a through 2d | 2e | |
| 3 | Subtract line 2e from line 1 | 3 | 218,240,456 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| а | Investment expenses not included on Form 990, Part VIII, line 7b 4a | | |
| b | Other (Describe in Part XIV) | | |
| C | Add lines 4a and 4b | 4c | |
| 5 | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18) | 5 | 218,240,456 |

Part XIV Supplemental Information

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

| Identifier | Return Reference | Explanation | | | | | | | |
|---|-------------------|---|--------------------------------------|--|--|--|--|--|--|
| INTENDED USES OF ENDOWMENT FUND | , | INTERFAITH MEDICAL CENTER'S ENDOWME FOR SPECIFIC PURPOSES DEFINED UNDER I DESIGNATION OR TERMS OF AGREEMENT | | | | | | | |
| Other changes in net assets | | Net Assets Released From Restrictions Temporarily restricted contributions & grants Net other change in net assets \$ 2,2 | \$ 6,497,867 -4,223,648 74,219 | | | | | | |
| Other Revenue included in A/F/S but not on Form 990 | Part XII, line 2d | Net Assets Released From Restrictions | \$ 6,500,000 | | | | | | |
| Other Revenue included on Form 990 but not in A/F/S | Part XII, line 4b | Temporarily restricted contributions & grants | \$ 4,223,648 | | | | | | |

OMB No 1545-0047

Open to Public **Inspection**

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization INTERFAITH MEDICAL CENTER INC **Employer identification number**

| | | | | | 11- | 2626155 | | | |
|------------|--|--------------------------------------|-------------------------------------|--|---|------------------------------|----------|------------------|--------|
| Pā | art I Charity Care and | l Certain O | ther Comr | munity Benefits a | t Cost | | | | |
| | | | | | | | | Yes | No |
| 1 a | _ | | | | | | 1a | Yes | |
| b | If "Yes," is it a written policy | | | | | | 1b | Yes | |
| 2 | If the organization had multip care policy to the various ho | | ındıcate whic | h of the following best | describes application (| of the charity | | | |
| | Applied uniformly to all ho | ospitals | | Applied uniformly | to most hospitals | | | | |
| | Generally tailored to indiv | vidual hospita | ls | | | | | | |
| 3 | Answer the following based o organization's patients during | | | y criteria that applies | to the largest number o | of the | | | |
| а | Did the organization use Fedi If "Yes," indicate which of the | | | | | care? | | | |
| | | _ | | | | | 3a | Yes | |
| | 100% | 1 20 | о% Г | Other | <u>%</u> | | | | |
| b | Did the organization use FPG | | | | | | | | |
| | "Yes," indicate which of the f | ollowing is the | e family incor | me limit for eligibility fo | or discounted care . | | 3b | Yes | |
| | Γ 200% Γ 250% | ▼ 30 | о% Г | 350% Г 40 | 00% Г Other_ | % | | | |
| _ | Titaba ayaanimatian did nat iia | a | | itir dagawha in Dawt V | _ | | | | |
| C | If the organization did not us determining eligibility for free test or other threshold, regar | or discounte | d care Inclu | de in the description w | hether the organization | | | | |
| 4 | Did the organization's policy | | | | | | 4 | Yes | |
| _ | Did the organization budget a the tax year? | mounts for fr | ee or discour | | _ | | | Yes | |
| b | If "Yes," did the organization | | | exceed the budgeted a | mount? | | 5b | | |
| c | If "Yes" to line 5b, as a resul | · · | • | _ | | | <u> </u> | Yes | |
| | care to a patient who was elig | • | | , , | • | | 5c | | Νo |
| 6a | Did the organization prepare | a community | benefit repor | tduring the tax year? | | | 6a | Yes | |
| 6b | If "Yes," dıd the organızatıon | make ıt avaıl | able to the p | ublic? | | | 6b | Yes | |
| | Complete the following table worksheets with the Schedule | | ksheets prov | ided in the Schedule H | instructions Do not s | ubmıt these | | | |
| 7 | Charity Care and Certain C | ther Commu | nity Benefits | at Cost | | | <u> </u> | | |
| | Charity Care and Means-Tested | (a) Number of activities or programs | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community to expense | oenefit | (f) Perototal ex | |
| а | Government Programs Charity care at cost (from | (optional) | | | | | | | |
| a | Worksheet 1) | | | 21,951,467 | 15,251,467 | 6,70 | 00,000 | 3 | 290 % |
| b | Medicaid (from Worksheet 3, column a) | | | 101,868,082 | 89,273,939 | 12,59 | 94,143 | 6 | 180 % |
| С | government programs (from Worksheet 3, column b) | | | | | | | | |
| d | Total Charity Care and Means-Tested Government Programs | | | 123,819,549 | 104,525,406 | 19,29 | 94,143 | 9 | 470 % |
| | Other Benefits | | | , , | , ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | , | | | |
| е | Community health improvement services and community benefit operations (from | | | 2.076.066 | | 2.05 | ,, o., | | E40.0/ |
| f | (Worksheet 4) Health professions education | | | 3,076,866 | | 3,07 | 76,866 | 1 | 510 % |
| | (from Worksheet 5) | | | 13,014,389 | 7,829,445 | 5,18 | 34,944 | 2 | 540 % |
| g h | Subsidized health services (from Worksheet 6) Research (from Worksheet 7) | | | | | | | | |
| | Cash and in-kind contributions for community benefit (from | | | | | | | | |
| į · | Worksheet 8) Total Other Benefits | | | 16,091,255 | 7,829,445 | 8.26 | 51,810 | 4 | 050 % |
| - | Total Add lines 7d and 7j | | | 139,910,804 | | | 55,953 | | 520 % |

| Pa | rt II Community Building | ng Activitie | s Complete t | this table if the o | rganızat | ion co | nducte | ed any commur | nity l | buildin | g |
|--|--|--|--|---|--|---|---------------------|---|--------|--|-------|
| | activities. | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) [| revenue | - | (e) Net communi building expense | | (f) Pero total ex | |
| 1 | Physical improvements and housing | | | | | | | | | | |
| 2 | Economic development | | | | | | | | | | |
| 3 | Community support | | | 593,0 | 30 | | | 593 | ,030 | 0 | 290 % |
| 4 | Environmental improvements | | | | | | | | | | |
| 5 | Leadership development and training | | | | | | | | | | |
| 6 | for community members Coalition building | | | | | | | | - | | |
| | Community health improvement | | | | | | | | | | |
| | advocacy | | | | | | | | | | |
| 8 9 | Workforce development Other | | | | | | | | + | | |
| 10 | Total | | | 593,0 | 30 | | | 593 | ,030 | 0 | 290 % |
| Pai | Bad Debt, Medicar | e, & Collec | tion Practic | | | | | | , | | |
| 1 2 3 4 Sect 5 6 7 8 | ion A. Bad Debt Expense Did the organization report ba Statement No 15? Enter the amount of the organ Enter the estimated amount of patients eligible under the organ Provide in Part VI the text of In addition, describe the cost rationale for including a portionion B. Medicare Enter total revenue received for Enter Medicare allowable cost Subtract line 6 from line 5. The Describe in Part VI the extense Also describe in Part VI the extense Check the box that describes. Cost accounting system ion C. Collection Practices Did the organization have a wiff "Yes," did the organization's | ization's bad dif the organization's characteristics the footnote to ing methodology of bad debt arom Medicare is of care relations is the surplust to which any osting method the method us to control of the collistics of the collistics of the method us t | ebt expense ion's bad debt arity care polic the organization when the organization is confully used in determounts as confunction of the confully shortfall report ology or source ed st to charge radiction policy disports of the confunction o | expense attributaby | ments the strength of the treate the amo | at desced on line 5 6 7 d as count rep | ribes b. nes 2 a | 14,505,259 ad debt expense nd 3, and 29,018,149 31,430,499 -2,412,350 ty benefit n line 6 | | Yes | No |
| U | contain provisions on the coll | ection practice | s to be followe | d for patients who a | are knowr | to qua | lify for | financial | 9b | | No |
| Pa | assistance? Describe in Part rt IV Management Com | vı panies and | Joint Ventu | | tions) | • • | • • | | , ,,, | <u> </u> | 1110 |
| | (a) Name of entity | I | o) Description of p activity of entit | rımary | (c) Organ profit % o | ızatıon's or stock | (d e |) Officers, directors, trustees, or key mployees' profit % r stock ownership% | pr | e) Physion ofit % or ownershi | stock |
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| 13 | | | | | | | | | | | |

| Part | V Facility Information | | | | | | | | | |
|--|---|-------------------|-------------------|---------------------|-------------------|--|-------------------|-------------|----------|------------------|
| | on A. Hospital Facilities | Licensed hospital | Gener | Childre | Teach | Critica | Resea | ER-24 | ER-other | |
| (list in order of size from largest to smallest) | | | General medical & | Children's hospital | Teaching hospital | acces. | Research facility | ER–24 hours | her | |
| How r the ta | nany hospital facilities did the organization operate during x year? 1 | pital | cal & surgical | spital | ptal | Ortical access hospital | lity | | | |
| Namo | and address | | | | | | | | | |
| Marrie | and address | | | | | | | | | Other (Describe) |
| 1 | INTERFAITH MEDICAL CENTER INC 1545 ATLANTIC AVENUE BROOKLYN,NY 11213 | x | х | | х | | | х | | |
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Part V Facility Information (continued) Section B. Facility Policies and Practices.

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

INTERFAITH MEDICAL CENTER INC

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

| | | | Yes | No |
|-----|---|--------|-------|------|
| Co | mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011) | | | |
| 1 | During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 | 1 | | |
| | If "Yes," indicate what the Needs Assessment describes (check all that apply) | | | |
| | a A definition of the community served by the hospital facility | | | |
| | b Demographics of the community | | | |
| | 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 | | | |
| | Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and | | | |
| | minority groups | | | |
| | g The process for identifying and prioritizing community health needs and services to meet those needs | | | |
| | h The process for consulting with persons representing the community's interests | | | |
| | i 「 Information gaps that limit the hospital facility's ability to assess the community's health needs | | | |
| | j | | | |
| 2 | Indicate the tax year the hospital facility last conducted a Needs Assessment 20 | | | |
| 3 | In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who | | | |
| | represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into | 3 | | |
| 4 | account input from persons who represent the community, and identify the persons the hospital facility consulted Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the | | | |
| • | other hospital facilities in Part VI | 4 | | |
| 5 | Did the hospital facility make its Needs Assessment widely available to the public? | 5 | | |
| | If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) | | | |
| | a Hospital facility's website | | | |
| | b Available upon request from the hospital facility | | | |
| | c Other (describe in Part VI) | | | |
| 6 | If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) | | | |
| | a 「 Adoption of an implementation strategy to address the health needs of the hospital facility's community | | | |
| | b Execution of the implementation strategy | | | |
| | c Development of a community-wide community benefit plan for the facility | | | |
| | d Participation in community-wide community benefit plan | | | |
| | e 「 Inclusion of a community benefit section in operational plans | | | |
| | f Adoption of a budget for provision of services that address the needs identified in the CHNA | | | |
| | g Prioritization of health needs in the community | | | |
| | h Prioritization of services that the hospital facility will undertake to meet health needs in its community | | | |
| | i Other (describe in Part VI) | | | |
| 7 | Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," | | | |
| | explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs | 7 | | |
| Fir | nancial Assistance Policy | | | |
| _ | Did the hospital facility have in place during the tax year a written financial assistance policy that | | | |
| | Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | 8 | Yes | |
| 9 | Used federal poverty guidelines (FPG) to determine eligibility for providing free care? | 9 | Yes | |
| | If "Yes," indicate the FPG family income limit for eligibility for free care 100% If "No," explain in Part VI the criteria the hospital facility used | | | |
| | Schedule | U /Eas | m 000 | 2011 |

| P | art V Facility Information (continued) | | | |
|-----|---|----|-----|----|
| کد | | | Yes | No |
| 10 | Used FPG to determine eligibility for providing discounted care? | 10 | Yes | |
| | If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 % | | | |
| | If "No," explain in Part VI the criteria the hospital facility used | | | |
| 11 | Explained the basis for calculating amounts charged to patients? | 11 | Yes | |
| | If "Yes," indicate the factors used in determining such amounts (check all that apply) | | | |
| | a Income level | | | |
| | b Asset level | | | |
| | c Medical indigency | | | |
| | d 🔽 Insurance status | | | |
| | e 🔽 Uninsured discount | | | |
| | f 🔽 Medicaid/Medicare | | | |
| | g State regulation | | | |
| | h Cother (describe in Part VI) | | | |
| 12 | Explained the method for applying for financial assistance? | 12 | Yes | |
| 13 | Included measures to publicize the policy within the community served by the hospital facility? | 13 | Yes | |
| | If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | | |
| | a The policy was posted at all times on the hospital facility's web site | | | |
| | b 🔽 The policy was attached to all billing invoices | | | |
| | c 🔽 The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| | d 🔽 The policy was posted in the hospital facility's admissions offices | | | |
| | e 🔽 The policy was provided, in writing, to patients upon admission to the hospital facility | | | |
| | f 🔽 The policy was available upon request | | | |
| | g | | | |
| Bil | ling and Collections | | 1 | |
| 14 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial | | | |
| 4- | assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | 14 | Yes | |
| 15 | Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's | | | |
| | FAP | | | |
| | a Reporting to credit agency | | | |
| | b Lawsuits | | | |
| | c Liens on residences | | | |
| | d F Body attachments or arrests | | | |
| | e T Other similar actions (describe in Part VI) | | | |
| 16 | Did the hospital facility or an authorized third party perform any of the following actions during the tax year before | | | |
| | making reasonable efforts to determine the patient's eligibility under the facility's FAP? | 16 | | No |
| | If "Yes," check all actions in which the hospital facility or a third party engaged | | | |
| | a Reporting to credit agency | | | |
| | b Lawsuits | | | |
| | c Liens on residences | | | |
| | d Body attachments | | | |
| | e C Other similar actions (describe in Part VI) | | | |
| 17 | Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) | | | |
| | a Notified patients of the financial assistance policy upon admission | | | |
| | b Notified patients of the financial assistance policy prior to discharge | | | |
| | c Notified patients of the financial assistance policy in communications with the patients regarding the patients' | | | |
| | bills | | | |
| | d Documented its determination of whether patients were eligible for financial assistance under the hospital | | | |
| | facility's financial assistance policy | | | |
| | Other (describe in Part VI) | 1 | 1 | I |

If "Yes," explain in Part VI

provided to that patient?

.

20

21

Νo

Νo

Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals **18** | Yes If "No," indicate why a ☐ The hospital facility did not provide care for any emergency medical conditions **b** The hospital facility's policy was not in writing The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI **d** Other (describe in Part VI) Individuals Eligible for Financial Assistance 19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAPeligible individuals for emergency or other medically necessary care The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

| | chedule H (| (Form 990) | 2011 |
|--|-------------|------------|------|
|--|-------------|------------|------|

Page **7**

| Part V Facility Information (continue |
|---------------------------------------|
|---------------------------------------|

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

| How many non-hospital facilities did the organization operate during the tax year? | | |
|--|-----------------------------|--|
| Name and address | Type of Facility (Describe) | |
| 1 See Addi | tional Data Table | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part III, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 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
- 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.)
- Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

| Identifier | ReturnReference | Explanation |
|---------------------------------------|-----------------|---|
| EXPLANATION OF COSTING METHODOLOGY | PART 1, LINE / | INTERFAITH MEDICAL CENTER USES PATIENT COST TO CHARGES RATIO FROM THE NEW YORK STATE DEPARTMENT OF HEALTH INSTITUTIONAL COST REPORT |

Schedule H (Form 990) 2011 Page **8**

| Identifier | ReturnReference | Explanation |
|------------------------------------|--------------------------|--|
| EXPLANATION OF BAD DEBT EXPENSE | PART 1, LINE 7, COLOMN P | THE BAD DEBT EXPENSE REPORTED ON FORM 990, PART IX, LINE 25, COLUMN (A), IS \$14,505,259 BASED ON 2011 AUDITED FINANCIAL STATEMENTS THE TOTAL OPERATING EXPENSE EXCLUDING BAD DEBT EXPENSE WAS \$203,735,197 IN 2011 |

| Identifier | ReturnReference | Explanation |
|------------------|-----------------|--|
| BAD DEBT EXPENSE | | INTERFAITH MEDICAL CENTER'S 2011 AUDITED FINANCIAL STATEMENTS INCLUDED THE FOLLOWING FOOTNOTE REGARDING THE UNCOMPENSATED CARE AND BAD DEBT EXPENSE The Medical Center reports care provided for which the patient's payment obligation was not fully satisfied as uncompensated care Uncompensated care is the sum of the Medical Center's charity care provided and the provision for bad debts The total uncompensated care provided was \$21 2 million and \$15 8 million for the years ended December 31, 2011 and 2010, respectively The Medical Center provides services without charge or at amounts less than its established rates to patients who meet the criteria of its charity care policy. For patients who are deemed eligible for charity care, care given but not paid for is classified as charity care. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, such services are not reported as revenue. For the years ended December 31, 2011 and 2010, the estimated cost of charity care was approximately \$6.7 million and \$7.5 million, respectively. The estimated cost of charity care includes the direct and indirect cost of providing charity care services and is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care For patients who were determined by the Medical Center to have the ability to pay but did not, the uncollected amounts are bad debt expense. Distinguishing between bad debt and charity care is difficult in part because services are often rendered prior to full evaluation of a patient's ability to pay. For the years ended December 31, 2011 and 2010, the provision for bad debts was approximately \$14.5 million and \$8.3 million, respectively. THE AMOUNT IN LINE 2 DOES NOT INCLUDE ANY COST ASSOCIATED WITH PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY BUT FOR WHOM SUFFICIENT INFORMATION WAS NOT OBTAINED TO MAKE A DETERMINATION OF THEIR ELIGIBILITY B |

Schedule H (Form 990) 2011 Page **8**

| Identifier | ReturnReference | Explanation |
|---|-----------------|---|
| EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT | | MEDICARE'S COST FINDING IS THE DETERMINATION OF THE ALLOCATION OF DIRECT COSTS AND PRORATION OF INDIRECT COSTS AND PRORATION OF INDIRECT COSTS THE COST REPORT ALLOWS FOR THE ALLOCATION OF GENERAL SERVICE COST CENTERS, INPATIENT ROUTINE SERVICE COST CENTERS, ANCILLARY SERVICE COST CENTERS, OUTPATIENT SERVICE COST CENTERS, OTHER REIMBURSABLE COST CENTERS, SEPCIAL PURPOSE COST CENTERS AND NONREIMBURSABLE COST CENTERS MOST COST CENTERS ARE ALLOCATED ON DIFFERENT STATISTICAL BASES AFTER THE ALLOCATION OF THESE COSTS, MEDICARE ALLOWABLE COST IS DERIVED THE HOSPITAL SERVES PATIENTS WITH GOVERNMENT HEALTH BENEFITS, INCLUDING MEDICARE MEDICARE IS OUR SECONDARY PAYOR AND HOSPITALS MUST ACCEPT THESE PATIENTS REGARDLESS OF WHETHER THEY MAKE A SURPLUS OR DEFICIT FROM PROVIDING SUCH SERVICES MEDICARE SERVICES PROMOTE ACCESS TO HEALTH CARE SERVICES |

| Identifier | ReturnReference | Explanation |
|---|-----------------|--|
| PROVISIONS ON COLLECTION PRACTICES FOR QUALIFIED PATIENTS | | INTERFAITH MEDICAL CENTER ADOPTS A WRITTEN COLLECTION POLICY TO FOLLOW UP ON SELF PAY ACCOUNTS CONSISTENTLY TO ENSURE MAXIMIZATION OF CASH FLOW AND FOR TIMELY IDENTIFICATION OF BAD DEBT ACCOUNTS SELF-PAY PATIENTS WILL BE MAILED AN ITEMIZED COPY OF THEIR HOSPITAL BILL, ALONG WITH FINANCIAL ASSISTANCE INFORMATION PAYMENT IS EXPECTED WITHIN 30 DAYS OF BILLING IF THE BALANCE CAN NOT BE PAID WITHIN 30 DAYS, THE PATIENT IS ASKED TO CALL THE ACCOUNT REPRESENTATIVE AFTER ALL OTHER METHODS OF PAYMENT HAVE BEEN EXHAUSTED, A CONTRACT PAYMENT AGREEMENT MAY BE ACCEPTED A SERIES OF BILLING STATEMENTS ARE MAILED TO THE GUARANTOR WITH EACH MESSAGE PROGRESSIVELY STRONGER TELEPHONE COLLECTION ACTIVITY OCCURS FOR INPATIENT SELF-PAY ACCOUNTS THAT ARE GREATER THAN \$1,000 ONCE THE BILLING STATEMENTS AND FINAL LETTER HAVE BEEN SENT, THE ACCOUNT WILL CYCLE FOR A PRE-COLLECTION LETTER AFTER 120 DAYS, ANY SELF-PAY ACCOUNTS DETERMINED TO BE UNCOLLECTIBLE WILL BE WRITTEN OFF TO BAD DEBT AND IMMEDIATELY PLACED WITH A COLLECTION AGENCY |

Schedule H (Form 990) 2011 Page 8

| Identifier | ReturnReference | Explanation |
|--|-----------------------------|--|
| MAXIMUM AMOUNTS THAT CAN BE CHARGED | PART V, SECTION B, LINE 19D | The hospital facility used the Medicaid rates when calculating the maximum amounts that can be charged & no less than \$150 00 |

Schedule H (Form 990) 2011 Page **8**

| Identifier | ReturnReference | Explanation |
|------------------|-----------------|--|
| NEEDS ASSESSMENT | PART VI, LINE 2 | INTERFAITH MEDICAL CENTER RELIES ON DATA PROVIDED BY THE NEW YORK CITY DEPARTMENT OF HEALTH AND MENTAL HYGIENE COMMUNITY HEALTH PROFILES, AND THE NEW YORK STATE DEPARTMENT OF HEALTH IT HAS BEEN FEDERALLY DESIGNATED AS LOCATED WITHIN A HEALTH PROFESSIONAL SHORTAGE AREA AND MEDICALLY UNDERSERVED AREA THE HOSPITAL ALSO PARTICIPATES IN HEALTH PLANNING AND EVALUATION COALITIONS IN BROOKLYN, I E BHIX - BROOKLYN HEALTH INFORMATION EXCHANGE AND SIMILAR PLANNING GROUPS |

| Identifier | ReturnReference | Explanation |
|---|-----------------|---|
| PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE | PART VI, LINE 3 | PATIENT EDUCATION OF ELIGIBILITY OF ASSISTANCE INTERFAITH MEDICAL CENTER HAS DEVELOPED A FINANCIAL ASSISTANCE POLICY THAT PROVIDES MEDICAL/FINANCIAL ASSISTANCE TO ALL THE POLICY IS UPDATED ANNUALLY ESPECIALLY THE PORTIONS REGARDING CURRENT FEDERAL POVERTY LEVELS AND THAT INFORMATION IS DISTRIBUTED TO ALL THE REGISTRATION AREAS A COPY OF THE FINANCIAL ASSISTANCE APPLICATION IS INCLUDED IN THE PATIENT'S REGISTRATION PACKAGE AND EACH UNINSURED PERSON IS ADVISED OF THE PROCESS FOR BECOMING ENROLLED AND IF ELIGIBLE ASSISTANCE IS PROVIDED WITH MEDICAID ENROLLING AT THE FACILITY INFORMATION REGARDING THE FINANCIAL ASSISTANCE POLICY IS POSTED IN THE ADMITTING DEPARTMENT AND AT ALL OUTPATIENT REGISTRATION LOCATIONS TRANSLATION SERVICES ARE AVAILABLE FOR THOSE FOR WHOM ENGLISH IS NOT THEIR FIRST LANGUAGE |

| Identifier | ReturnReference | Explanation |
|-----------------------|-----------------|---|
| COMMUNITY INFORMATION | CANT VI, LINE 4 | INTERFAITH MEDICAL CENTER IS LOCATED IN CENTRAL BROOKLYN, NEW YORK WE PROVIDE SERVICE TO PEOPLE THROUGHOUT KINGS COUNTY AND EVEN INTO THE SURROUNDING BOROUGHS OF NEW YORK CITY HOWEVER OUR PRIMARY SERVICE AREA COVERS ZIP CODES 11212, 11213, 11221, 11233, 11238 AND THE SECONDARY SERVICE ZIP CODES ARE 11203, 11206, 11207,11208, 11217, 11221, 11225, AND 11226 OUR SERVICE AREA HAS A POPULATION OF NEARLY 900,000 WITH APPROXIMATELY IN THE PRIMARY 5 ZIP CODES THE ETHNIC COMPOSITION IS 80% AFRICAN-AMERICAN OR CARIBBEAN AMERICAN, 11% HISPANIC, 5% WHITE AND 4% OTHER NEARLY 1 IN 3 OR 31% LIVE BELOW THE POVERTY LEVEL |

| Identifier | ReturnReference | Explanation |
|----------------------------------|-----------------|---|
| COMMUNITY BUILDING ACTIVITIES | PART VI, LINE 5 | INTERFAITH MEDICAL CENTER STRIVES TO BE A GOOD NEIGHBOR AND TO MAINTAIN OPEN COMMUNICATIONS WITH ITS COMMUNITY AND BEYOND THE HOSPITAL READILY MAKES ITS CONFERENCE ROOM AND CAFETERIA AVAILABLE TO NEIGHBORHOOD GROUPS FOR MEETINGS, RECEPTIONS AND COMMUNITY FORUM IN ADDITION TO MAKING SPACE AVAILABLE, THE MEDICAL STAFF GRACIOUSLY OFFERS FREE CLINICS AND SCREENINGS THROUGHOUT THE YEAR AT CHURCHES, SENIOR CENTERS, DAY CARE CENTER, HIGH SCHOOLS AND COLLEGE MENTORING SESSIONS AND ANY NUMBER OF STREET FAIRS THE HOSPITAL ALSO WELCOMES THE INPUT OF THE COMMUNITY THROUGH AN ADVISORY BOARD FOR SEVERAL OF ITS PROGRAMS AND A MONTHLY OPEN DISCUSSION FORUM WITH MEMBERS OF THE BOARD OF TRUSTEES IN ADDITION TO THE HEAL PROGRAMS OF UTMOST IMPORTANCE TO WOMEN, THE WOMEN'S HEALTH PROGRAM OFFERS WORKSHOPS IN BUDGETING, STRESS REDUCTION, HEALTHY LIVING/COOKING, AND PROVIDES FACILITIES FOR JOB SEARCHES AND HELP WITH AT RISK YOUTH |

Schedule H (Form 990) 2011 Page **8**

| Identifier | ReturnReference | Explanation |
|---|-------------------------|-------------|
| STATE FILING OF COMMUNITY BENEFIT REPORT | 990 SCHEDULE H, PART VI | NY, |

Software ID: Software Version:

EIN: 11-2626155

Name: INTERFAITH MEDICAL CENTER INC

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

| Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest) | |
|--|--------------------------------|
| How many non-hospital facilities did the organization operate during the tax year? | |
| Name and address | Type of Facility (Describe) |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |
| BISHOP ORRIS G WALKER JR HEALTH CENTER 528 PROSPECT PLACE BROOKLYN,NY 11238 | CLINIC |

Compensation Information

DLN: 93493032013623

OMB No 1545-0047

Open to Public Inspection

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

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

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

► Attach to Form 990. ► See separate instructions.

Name of the organization INTERFAITH MEDICAL CENTER INC **Employer identification number**

| | | | 11-2626155 | | | |
|----|----------|---|--|------------|-----|-----|
| Pa | rt I | Questions Regarding Compensation | | | | |
| | | | | | Yes | Νo |
| .a | | neck the appropiate box(es) if the organization provided any of the following to or for a pe 90, Part VII, Section A, line 1a Complete Part III to provide any relevant information re | | | | |
| | Γ | First-class or charter travel | ce for personal use | | | |
| | Γ | Travel for companions | personal residence | | | |
| | \sqcap | Tax idemnification and gross-up payments | ınıtıatıon fees | | | |
| | Γ | Discretionary spending account Personal services (e.g., maid, | chauffeur, chef) | | | |
| b | | any of the boxes in line 1a are checked, did the organization follow a written policy regard imbursement orprovision of all the expenses described above? If "No," complete Part II: | | 1b | | |
| 2 | | d the organization require substantiation prior to reimbursing or allowing expenses incuri ficers, directors, trustees, and the CEO/Executive Director, regarding the items checked | box(es) if the organization provided any of the following to or for a person listed in Form in A, line 1a. Complete Part III to provide any relevant information regarding these items after travel. Housing allowance or residence for personal use minons. Payments for business use of personal residence in and gross-up payments. Health or social club dues or initiation fees ending account. Personal services (e.g., maid, chauffeur, cheft). Iline 1a are checked, did the organization follow a written policy regarding payment or vision of all the expenses described above? If "No," complete Part III to explain equire substantiation prior to reimbursing or allowing expenses incurred by all stees, and the CEO/Executive Director, regarding the items checked in line 1a? of the following the organization uses to establish the compensation of the xecutive Director Check all that apply with the compensation of the xecutive Director Check all that apply with the compensation consultant Compensation survey or study rorganizations. Approval by the board or compensation committee in years of the person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization from payment or change-of-control payment? Invepayment from, a supplemental nonqualified retirement plan? Invepayment from, an equity-based compensation arrangement? s 4a-c, list the persons and provide the applicable amounts for each item in Part III. Office) Organizations only must complete lines 5-9. from 990, Part VII, Section A, line 1a, did the organization pay or accrue any pert on the revenues of 1000-2 6b, describe in Part III form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed ed in lines 5 and 67 if "yes," describe in Part III ported in Form 990, Part VII, paid or accured pursuant to a contract that was contract exception described in Regs section 53 4958-4(a)(3)? If "yes," describe in Part III ported in Form 990, Part VII, paid or accured pursuant to a contract that was contract exception desc | 2 | | |
| | | | 6.1 | | | |
| • | | ganization's CEO/Executive Director Check all that apply | of the | | | |
| | <u> </u> | | | | | |
| | | | | | | |
| | ı | Form 990 of other organizations | pensation committee | | | |
| ŀ | | iring the year, did any person listed in Form 990, Part VII, Section A, line 1a with respec a related organization | ct to the filing organization | | | |
| а | Rec | eceive a severance payment or change-of-control payment? | | 4a | | No |
| b | Part | rticipate in, or receive payment from, a supplemental nonqualified retirement plan? | | 4b | | Νo |
| C | Part | cipate in, or receive payment from, an equity-based compensation arrangement? | | 4 c | | Νo |
| | If"Y | "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each | item in Part III | | | |
| | Only | nly 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. | | | | |
| • | | r persons listed in form 990, Part VII, Section A, line $1a$, did the organization pay or accompensation contingent on the revenues of | crue any | | | |
| а | The | ne organization? | | 5a | | Νo |
| b | Any | ny related organization? | | 5b | | Νo |
| | If"Y | "Yes," to line 5a or 5b, describe in Part III | | | | |
| • | | r persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accompensation contingent on the net earnings of | crue any | | | |
| а | The | ne organization? | | 6a | | Νo |
| b | Any | ny related organization? | | 6b | | Νo |
| | If"۱ | "Yes," to line 6a or 6b, describe in Part III | | | | |
| , | | r persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide a yments not described in lines 5 and 6? If "Yes," describe in Part III | ny non-fixed | 7 | | No |
| 3 | | ere any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract t | | | | |
| | _ | pject to the initial contract exception described in Regs' section 53 4958-4(a)(3)/ If "Y Part III | es, describe | 8 | | No |
| | | | ceribad in Pagulations | - | | 140 |
| , | | ction 53 4958-6(c)? | schbed ili keyulations | 9 | | |

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

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

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

| (A) Name | , | (B) Breakdown of | f W-2 and/or 1099-MIS | .SC compensation | (C) Retirement and | | (E) Total of columns | |
|-------------------------|---------------|--------------------------|---|------------------|--|--------------|--|---|
| | | (i) Base compensation | (ii) Bonus & (iii) Other incentive reportable compensation compensation | | other deferred compensation | benefits | (B)(ı)-(D) | reported in prior Form 990 or Form 990-EZ |
| (1) Pradeep Chandra | (I) (II) | 440,159 0 | 0 | 0 0 | , o o | 0 | 0 440,159 0 0 |) |
| (2) Patrıa Cathıll | (I) (II) | 198,573 0 | 0 | 0 | 0 | 0 | 198,573 0 0 |) |
| (3) Khaleda Billah | (I) (II) | 310,768 0 | 0 | ۲ _ا ۲ | 0 | 0 | 310,768 |) |
| (4) Serge Balmır | (I) (II) | 305,556 0 | 0 | 0 0 | 0 0 | 0 | 305,556 |) |
| (5) Lodze Quitel | (I) (II) | 286,461 0 | 0 | 0 | 0 | 1 | 0 286,461 0 0 |) |
| (6) Victor Kwong | (I) (II) | 259,434 0 | 0 | 1,524 | 0 | | 260,958 0 0 |) |
| (7) Yevgenıy Khaldarrov | (I) (II) | 257,733 0 | 0 | 1 | 0 | 1 | 0 257,853 0 0 |) |
| | <u> </u> | | ' | | | | | |
| | ' | <u> </u> | | <u> </u> | | | <u> </u> | + |
| | +' | | | | | | | |
| | | | | | | | , | |
| | ' | | <u> </u> | <u> </u> | | | <u> </u> | |
| | ' | | | <u> </u> | | | <u>'</u> | |
| | ' | + | | | | | <u> </u> | |

Part III Supplemental Information

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

| Ident if ier | Return Reference | Explanation |
|---------------------------|---------------------|--|
| ADDITIONAL INFORMATION | | THE FOLLOWING CURRENT AND FORMER EXECUTIVES WERE EMPLOYED BY A MANGEMENT COMPANY, KURRON SHARES OF AMERICA, INC DURING 2011 - LUIS HERNANDEZ, JOHN GUPTA, PATRICK SULLIVAN, ANN OSWALD, ROBERT MARIANI, AND EBONE E MCINTOSH EBONE E MCINTOSH WAS PAID BY THE MANAGEMENT COMPANY PRIOR TO 03/01/2011, AND RECEIVED COMPENSATION FROM INTERFAITH MEDICAL CENTER FROM 03/01/2011 THROUGH 05/06/2011 INTERFAITH MEDICAL CENTER PAID THE MANAGEMENT COMPANY \$3,257,065 FOR THE EXECUTIVES' SERVICES DURING THE YEAR |

DLN: 93493032013623

OMB No 1545-0047

Schedule K (Form 990)

Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions,

explanations, and any additional information in Schedule O (Form 990). ► Attach to Form 990. ► See separate instructions. Department of the Treasury

Open to Public **Inspection**

Internal Revenue Service Name of the organization

Employer identification number

| INT | ERFAITH MEDICAL CENTER I | INC | | | | | | | | 1-262 | 6155 | | , c. | | | | | |
|-----|--|------------------------|---------------------|------------------|--------------------|---|------------|---------------------------------|-----|-----------------------|------|-----------------------|------|--------|----------------------------|--------|--|---------------|
| P | art I Bond Issues | | | | | | | | | | | | | | | | | |
| | (a) Issuer Name | (b) Issuer EIN | (c) CUSIP # | (d) Date Issued | (e) Issue P | Price (f) Description of Purpose | |) Description of Purpose | | escription of Purpose | | escription of Purpose | | feased | (h) Beha Iss | alf of | | Pool ncing |
| | | | | | | | | | Yes | No | Yes | No | Yes | No | | | | |
| A | Dormitory Authority of the State of New York | 14-6000293 | 64983MVK1 | 03-28-2007 | 132,587 | 7,135 SE | EE PART VI | | | х | | х | | х | | | | |
| Pa | Irt III Proceeds | • | , | | | • | | | | | • | | | | | | | |
| | | | | | - | ١ | | В | | С | | | D | | | | | |
| 1 | A mount of bonds retired | | | | | | 0 | | | | | | | | | | | |
| 2 | A mount of bonds defeased | | | | | | 0 | | | | | | | | | | | |
| _3 | Total proceeds of issue | | | | 1 | 32,587,1 | 35 | | | | | | | | | | | |
| 4 | Gross proceeds in reserve fu | unds | | | ; | 10,626,1 | 18 | | | | | | | | | | | |
| 5 | Capitalized interest from pro | ceeds | | | | 0 | | | | | | | | | | | | |
| 6 | Proceeds in refunding escro | w | | | 0 | | | | | | | | | | | | | |
| 7 | Issuance costs from proceed | ds | | | 1,448,918 | | | | | | | | | | | | | |
| 8 | Credit enhancement from pro | oceeds | | | 0 | | | | | | | | | | | | | |
| 9 | Working capital expenditures | s from proceeds | | | 0 | | | | | | | | | | | | | |
| 10 | Capital expenditures from pr | oceeds | | | 0 | | | | | | | | | | | | | |
| 11 | Other spent proceeds | | | | 0 | | | | | | | | | | | | | |
| 12 | Other unspent proceeds | | | | 0 | | | | | | | | | | | | | |
| 13 | Year of substantial completion | on | | | | | | | | | | 1 | | | | | | |
| | | | | | Yes | No | Yes | No | Yes | - 1 | No | Yes | | No | | | | |
| 14 | Were the bonds issued as pa | art of a current refun | ding issue? | | | Х | | | | | | | | | | | | |
| 15 | Were the bonds issued as pa | art of an advance ref | funding issue? | | Х | | | | | | | | | | | | | |
| 16 | Has the final allocation of pro | oceeds been made? | | | | Х | | | | | | | | | | | | |
| 17 | 7 Does the organization maintain adequate books and records to support the final allocation of proceeds? | | | | × | | | | | | | | | | | | | |
| Pa | rt IIII Private Business | Use | | | | | | • | | • | | | | | | | | |
| | | | | | <i>I</i> | | | В | С | | | | D | | | | | |
| i | | | | | Yes | No | Yes | No | Yes | | No | Yes | + | No | | | | |
| 1 | Was the organization a partn | | or a member of an l | LLC, which owned | | | | | | | | | | | | | | |

Are there any lease arrangements that may result in private business use of bond-

property financed by tax-exempt bonds?

financed property?

| Sche | dule K (Form 990) 2011 | | | | | | | | | Page 2 |
|------|---|----------------|---------------|---------------|-------------|--------------|--------------|--------------|---------------|---------------|
| Par | Private Business Use (Continued) | | Π | | | | 1 | | | |
| | | | Yes | No | Yes | No No | Yes | C No | Yes | D No |
| За | Are there any management or service contracts that may result in private use? | business | res | NO | res | NO | res | NO | Yes | INO |
| b | If 'Yes' to line 3a, does the organization routinely engage bond counsel or counsel to review any management or service contracts relating to the fin property? | | | | | | | | | |
| С | Are there any research agreements that may result in private business us financed property? | e of bond- | | | | | | | | |
| d | If 'Yes' to line 3c, does the organization routinely engage bond counsel or counsel to review any research agreements relating to the financed proper | | | | | | | | | |
| 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 % | | | | | | |
| 5 | Enter the percentage of financed property used in a private business use a unrelated trade or business activity carried on by your organization, anoth 501(c)(3) organization, or a state or local government | | | | | | | | | |
| 6 | Total of lines 4 and 5 | | | | | | | | | |
| 7 | Has the organization adopted management practices and procedures to enpost-issuance compliance of its tax-exempt bond liabilities? | nsure the | | | | | | | | |
| Par | t IV Arbitrage | | | 1 | В | 1 | | 1 | D | |
| | | Yes | No | Yes | B No | | es C | No | Yes | No |
| 1 | Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? | 103 | X | 103 | | | | THO . | 103 | 140 |
| 2 | Is the bond issue a variable rate issue? | | Х | | | | | | | |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue? | | Х | | | | | | | |
| | Name of provider | 0 | 1 | | I | | I | | | |
| С | Term of hedge | | | | | | | | | |
| d | Was the hedge superintegrated? | | | | | | | | | |
| e | Was a hedge terminated? | | | | | | | | | |
| 4a | Were gross proceeds invested in a GIC? | | X | | | | | | | |
| ь | Name of provider | 0 | 1 | | ' | | | | | |
| С | Term of GIC | | | | | | | | | |
| d | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | | | | | | | | | |
| 5 | Were any gross proceeds invested beyond an available temporary period? | | х | | | | | | | |
| 6 | Did the bond issue qualify for an exception to rebate? | | Х | | | | | | | |
| Р | Procedures To Undertake Corrective Action Check the box if the organization established written procedures | to ensure that | violations of | federal tax r | equirements | s are timely | ıdentıfıed a | and correcte | d through the | voluntary |

Part VI Supplemental Information

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

| | Identifier | Return Reference | Explanation |
|----|-------------|---------------------|--|
| | SCHEDULE K, | 0 | THE PROJECT CONSISTS OF (I) THE REFUNDING OF THE OUTSTANDING BONDS DESIGNATED DORMITORY AUTHORITY OF THE STATE OF NEW |
| | PART I, | | YORK SECURED HOSPITAL REVENUE BONDS, SERIES 1998D, THE PROCEEDS OF WHICH WERE LOANED TO THE INSTITUTION AND INCLUDING |
| | COLUMNF | | EACH "PROJECT" FINANCED AND REFINANCED WITH THE PROCEEDS OF SUCH BONDS, (II) THE FUNDING OF THE CAPITAL RESERVE FUND |
| | | | REQUIREMENT AND (III) PAYING THE COSTS OF ISSUANCE OF THE BONDS THE ORIGINAL ISSUE DATE FOR THE SERIES 1998D BONDS WAS |
| l, | | | FEBRUARY 26, 1998 |

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493032013623

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Transactions with Interested Persons

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

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

| Name of the organization INTERFAITH MEDICAL CENTER INC | | Employer identification number | | | | | | | | | | | |
|--|-------------|--------------------------------|------------------------------|-------------|---------------------|----------------------|----------|---------------------------------------|-------------|------------------|-------------------|--|--|
| Part I Excess Benefit Trai | | | | | | | organ | | only). | | | | |
| Complete if the organizat | ion ans | wered " | Yes" on Forn | n 990, F | Part IV, line 25a d | or 25b, | or Form | 990-EZ, | Part V , I | ine 40b | | | |
| 1 (a) Name of disq | ualıfıed | person | | | (b) Desc | ription | of trans | action | | Cor | (c) Corrected? | | |
| | | | | | | | | | | Yes | No | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 2 Enter the amount of tax impos section 4958 | | _ | | | disqualified pers | | _ | ear unde | r • \$ | | | | |
| 3 Enter the amount of tax, If any | , on line | e 2, abo | ve, reimburs | ed by th | e organization . | | | • | * \$ | | | | |
| Part II Loans to and/or I | | | | | | | | | | | | | |
| Complete if the organiz | | inswere .oan to | d "Yes" on Fo | orm 990 | Part IV, line 26 | , or Fori | m 990-l | = Z , Part \ (f) | | <u>a</u> | | | |
| (a) Name of interested person and purpose | or fro | om the ization? | (c)Original principal amount | | (d)Balance due | (e) defau | | Approved by board or committee? | | (g) Writ | | | |
| | То | From | | | | Yes | No | Yes | No | Yes | No | | |
| | | | | | | | | + | | | | | |
| | + | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | 1 | | | | | | |
| | | <u>.</u> . | | ▶ \$ | l | | | | | | | | |
| Part III Grants or Assistar Complete if the orga | | | | | | lino 1 | 77 | | | - | | | |
| (a) Name of interested pers | | | b) Relationsh | ııp betwe | en interested per | | | nount of a | rant or ty | /pe of assi | stance | | |
| (a) Hame of micerosca pero | | | an | d the or | ganızatıon | | (-) | | | , po o. aco. | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | + | | | | | | | |
| | | | | | | | | | | | | | |

| 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 | (c) A mount of transaction | (d) Description of transaction | (e) Sharing organization revenues? | | |
|-------------------------------|--|----------------------------|--------------------------------|------------------------------------|----|--|
| | organization | | | Yes | No | |
| (1) KURRON SHARES OF AMERICA | BRD MBR OWNER | 3,257,065 | MANAGEMENT SERVICES | | No | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Part V Supplemental Information

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

| Identifier Return Reference Explanation |
|---|
|---|

Schedule L (Form 990 or 990-EZ) 2011

OMB No 1545-0047

2011

Open to Public

Inspection

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.

Name of the organization INTERFAITH MEDICAL CENTER INC

Employer identification number

11-2626155

| ldentifier | Return Reference | Explanation |
|--|-----------------------------------|--|
| BUSINESS OR FAMILY RELATIONSHIP OF OFFICERS, DIRECTORS, ETC | FORM 990, PART VI, LINE 2 | LUIS HERNANDEZ (CEO - OCT-DEC), JOHN GUPTA (CEO - JAN-OCT), ANN OSWALD (CFO - JAN-OCT), ROBERT MARIANI (CFO - OCT-DEC), PATRICK SULLIVAN (COO), AND EBONE MCINTOSH (CQO - JAN-MAY) ARE EMPLOYED BY A MANGAEMENT COMPANY, KURRON SHARES OF AMERICA, INC INTERFAITH MEDICAL CENTER PAYS THE MANAGEMENT COMPANY FOR THE EXECUTIVE'S SERVICES DURING THE YEAR CORBETT A PRICE, BOARD MEMBER OF INTERFAITH MEDICAL CENTER, IS THE PRESIDENT OF KURRON SHARES OF AMERICA, INC James McIntosh and Ebone McIntosh have a family relationship |
| DESCRIPTION OF DELEGATED DUTIES TO MANAGEMENT COMPANY | FORM 990, PART VI, LINE 3 | INTERFAITH MEDICAL CENTER ENGAGES THE SERVICES OF KURRON SHARES OF AMERICA, INC ("KURRON"), AN UNRELATED COMPANY, TO PROVIDE MANAGEMENT SERVICES RENUMERATION PAID TO KURRON DURING 2011 IS REPORTED IN THE FORM 990, PART VII, SECTION B - INDEPENDENT CONTRACTORS THE APPLICABLE NAMES AND TITLES OF KURRON PERSONNEL ARE DISCLOSED ON PART VII - SECTION A - OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND HIGHEST COMPENSATED EMPLOYEES |
| FORM 990 REVIEW PROCESS | FORM 990, PART VI, LINE 11B | THE INTERFAITH MEDICAL CENTER BOARD IS NOTIFIED WHEN THE FORM 990 IS AVAILABLE AND THEY HAVE THE OPPORTUNITY TO REVIEW THE FORM THE CHIEF FINANCIAL OFFICER REVIEWS THE FORM 990 BEFORE IT IS FILED WITH THE IRS |
| EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS | FORM 990, PART VI, LINE 12C | ANNUAL QUESTIONNAIRE IS SENT TO ALL DIRECTORS AND MANAGEMENT PERSONNEL QUESTIONNAIRES ARE REVIEWED BY THE EXECUTIVE STAFF ANY DISCREPANCIES ARE SENT TO THE BOARD |
| OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE | FORM 990, PART VI, LINE 19 | UPON REQUEST, THE ORGANIZATION WILL MAKE AVAILABLE ONLY THOSE DOCUMENTS REQUIRED TO BE DISCLOSED UNDER THE PUBLIC INSPECTION LAWS |
| COMPENSATION EXPLANATION | FORM 990, PART VII | LUIS HERNANDEZ, JOHN GUPTA, PATRICK SULLIVAN, ANN C OSWALD, ROBERT MARIANI, AND EBONE E MCINTOSH INTERFAITH MEDICAL CENTER ENGAGED THE SERVICES OF KURRON SHARES OF AMERICA, INC ("KURRON"), AN UNRELATED COMPANY, TO PROVIDE DAY-TO-DAY AND CONSULTING SERVICES REMUNERATION PAID TO KURRON DURING 2011 IS REPORTED IN PART VII, SECTION B INDEPENDENT CONTRACTORS |
| OTHER CHANGES IN NET ASSETS OR FUND BALANCES | FORM 990, PART XI, LINE 5 | CHANGE IN ADDITIONAL MINIMUM PENSION LIABILITY \$ -23,806,922 PRIOR PERIOD ADJUSTMENT - 6,699,378 UNREALIZED LOSS - 14,402 TOTAL \$ -30,520,702 |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII | NAME Canon Diane M Porter TITLE Vice Chair HOURS 5 |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII | NAME Corbett A Price TITLE Board Member (Jan-Oct) HOURS 1 |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII | NAMEJames E McIntosh TITLE Chairman Emeritus HOURS 1 |

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -**SCHEDULE R**

DLN: 93493032013623

OMB No 1545-0047

Open to Public Inspection

Related Organizations and Unrelated Partnerships

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

Department of the Treasury Internal Revenue Service

(Form 990)

| Name of the organization INTERFAITH MEDICAL CENTER INC | | | | 11-26261 | dentification number 55 | | |
|--|--------------------------------|--|----------------------------|---|--|----------|---|
| Part I Identification of Disregarded Entities (Com | plete if the organizatio | n answered "Yes" | on Form 990, Par | • | | | |
| (a) Name, address, and EIN of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income En | (e) nd-of-year assets | (f) Direct controlling entity | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | - | 6.11 | | - F 000 F |) - 1 TV 1 24 1 | | |
| Part II Identification of Related Tax-Exempt Organ or more related tax-exempt organizations during | the tax year.) | r the organization | answered "Yes" o | n Form 990, P | art IV, line 34 becaus | e it nad | one |
| (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 stat (if section 501(c)(| us Direct controlling entity | | g) 512(b)(13 trolled nization |
| (1) I M FOUNDATION INC | | | | | | Yes | No |
| 1545 ATLANTIC AVENUE | FUNDRAISING | NY | 501(c)(3) | 11 TYI | PE I | Yes | |
| BROOKLYN, NY 11213 11-3144364 | | | | | | | |
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| For Privacy Act and Paperwork Reduction Act Notice, see the Instruc | tions for Form 990. | Cat No 50 | <u>I</u> 135Y | | Schedule R (F | orm 990' | 2011 |

| 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) | _ | (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 Disprop allocat | rtionate | (i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065) | (j Gener mana partr | ral or iging | (k) Percentage ownership | |
|---|--------------------------------|--|---|--|--|---|---------------------------------|----------|---|-------------------------------------|-----------------|---------------------------------------|--|
| | | | | | | | Yes | No | | Yes | No | | |
| | | | | | | | | | | | | | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total Income | (g) Share of end-of-year assets | (h) Percentage ownership |
|---|--------------------------------|---|--|--|--|---|---------------------------------------|
| (1) Interfaith Emergency Medicine PC 1545 Atlantic Avenue Brooklyn, NY 11213 45-2480633 | Physician Billing | NY | IMC | C Corp | | | |
| 45-1861648 | Physician Billing | NY | IMC | C Corp | | | |
| (3) Interfaith Psychiatry Services PC 1545 Atlantic Avenue Brooklyn, NY 11213 27-4297404 | Physician Billing | NY | IMC | C Corp | | | |
| | | | | | | | |
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| | | | | | | Schodulo D (I | Form 990\ 2011 |

(5)

(6)

| Par | Transactions With Related Organizations (Complete if the organization a | answered "Ye | es" on Form 990, Pa | ırt IV, line 34, 35, 3 | 55A, or 36.) | | | | | | |
|----------------|---|------------------|--|------------------------|-----------------------------------|----------|-------|--|--|--|--|
| | Note. Complete line 1 if any entity is listed in Parts II, III or IV | | | | | Yes | No | | | | |
| 1 Du | During the tax year, did the orgranization engage in any of the following transactions with one or mo | re related orga | anızatıons lısted ın Par | ts II-IV? | | | | | | | |
| а | Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity | | | | 18 | 1 | No | | | | |
| b | Gift, grant, or capital contribution to related organization(s) | | | | 11 |) | No | | | | |
| c | Gift, grant, or capital contribution from related organization(s) | | | | 10 | 3 | No | | | | |
| d | Loans or loan guarantees to or for related organization(s) | | | | 10 | 1 | No | | | | |
| е | e Loans or loan guarantees by related organization(s) | | | | | | | | | | |
| f | Sale of assets to related organization(s) | | | | 11 | : | No | | | | |
| g | Purchase of assets from related organization(s) | | | | 19 | , | No | | | | |
| h | Exchange of assets with related organization(s) | | | | 11 | 1 | No | | | | |
| i | Lease of facilities, equipment, or other assets to related organization(s) | | | | 1 | i | No | | | | |
| j | Lease of facilities, equipment, or other assets from related organization(s) | | | | 1 | j | No | | | | |
| k | Performance of services or membership or fundraising solicitations for related organization(s) | | | | 11 | (| No | | | | |
| 1 | Performance of services or membership or fundraising solicitations by related organization(s) | | | | 1 | | No | | | | |
| m | m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | | | | | | | | | |
| n | Sharing of paid employees with related organization(s) | | | | 11 | ١ | No | | | | |
| o | Reimbursement paid to related organization(s) for expenses | | | | 10 | , | No | | | | |
| р | Reimbursement paid by related organization(s) for expenses | | | | 11 |) | No | | | | |
| q | Other transfer of cash or property to related organization(s) | | | | 10 | , | No | | | | |
| r | Other transfer of cash or property from related organization(s) | | | | 1 | r | No | | | | |
| 2 | If the answer to any of the above is "Yes," see the instructions for information on who must comp | olete this line, | ıncludıng covered rela | tionships and transact | ion thresholds | | | | | | |
| | (a) Name of other organization | | (b) Transaction type(a-r) | (c) Amount involved | (d) Method of determ Involv | nining a | nount | | | | |
| (1) I M | I M FOUNDATION INC | | Е | 9,810,073 | COST | | | | | | |
| (2) | | | | | | | | | | | |
| (3) | | | | | | | | | | | |
| (4) | | | | | | | | | | | |

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

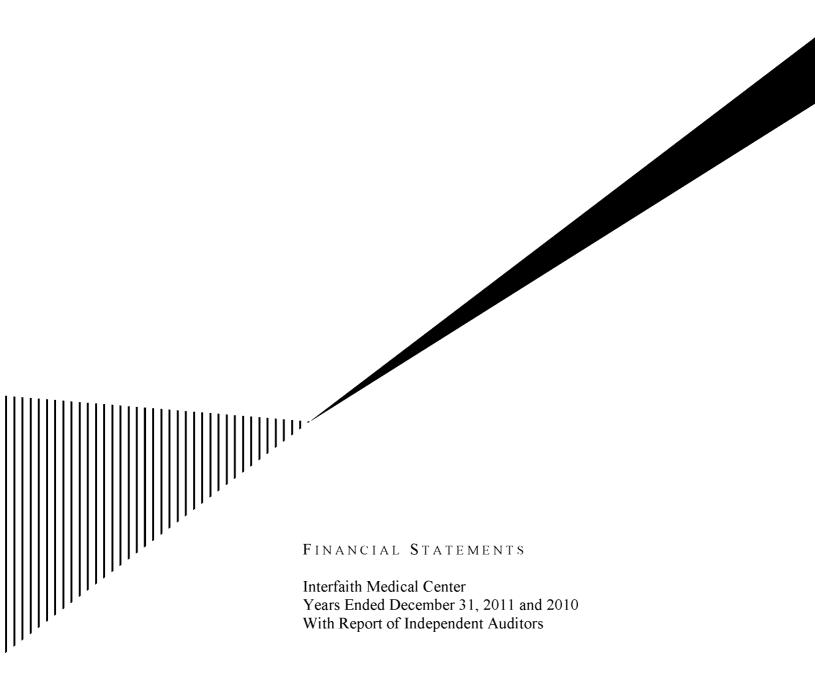
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

| (a) Name, address, and EIN of entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Predominant income(related, unrelated, excluded from tax under sections 512- 514) | (e) Are all partners section 501(c)(3) organizations? | | partners section 501(c)(3) organizations? | | partners section 501(c)(3) | | partners section 501(c)(3) | | partners section 501(c)(3) | | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproprtionate alloca | ations? | (i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065) | Gene man | j) eral or aging :ner? | (k) Percentage ownership |
|---|--------------------------------|---|---|---|----|--|--|----------------------------------|----|----------------------------------|-----|----------------------------------|---|--|---|----------------------------|---------|---|-------------|--|--------------------------------|
| | | | 314) | Yes | No | | | Yes | No | | Yes | No | | | | | | | | | |
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Part VII Supplemental Information

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

Identifier Return Reference Explanation



Ernst & Young LLP

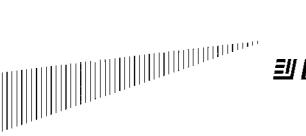


Financial Statements

Years Ended December 31, 2011 and 2010

Contents

| Report of Independent Auditors | 1 |
|--|---|
| Balance Sheets | 2 |
| Statements of Operations | 3 |
| Statements of Changes in Net Assets (Deficiency) | 4 |
| Statements of Cash Flows | 5 |
| Notes to Financial Statements | 6 |





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Report of Independent Auditors

The Board of Trustees Interfaith Medical Center

We have audited the accompanying balance sheets of Interfaith Medical Center (the "Medical Center") as of December 31, 2011 and 2010, and the related statements of operations, changes in net assets (deficiency) and cash flows for the years then ended These financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Medical Center's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Medical Center at December 31, 2011 and 2010, and the results of its operations, changes in its net assets (deficiency) and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

The accompanying financial statements have been prepared assuming that the Medical Center will continue as a going concern. As more fully described in Note 1, the Medical Center has significant deficiencies in working capital and net assets and has incurred recurring operating losses. In addition, the Medical Center has not complied with certain requirements and covenants of its loan agreements. These conditions raise substantial doubt about the Medical Center's ability to continue as a going concern Management's plans in regard to these matters are also described in Note 1. The 2011 financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

As more fully discussed in Note 1 to the accompanying financial statements, in 2011 the Medical Center changed its financial statement reporting entity to exclude IM Foundation retrospective to January 1, 2010 The accompanying financial statements for all periods include the accounts of the Medical Center only

Ernet + Young LLP

Balance Sheets

(In Thousands)

| | December 31 | | | 31 |
|--|-------------|------------------|-----|--------------|
| | | 2011 | | 2010 |
| A | | | l: | ls Adjusted) |
| Assets | | | | |
| Current assets | \$ | 9,915 | \$ | 2,531 |
| Cash and cash equivalents | 3 | 9,913 | Ð | 2.351 |
| Receivables for patient care, net of allowance for uncollectible accounts of \$42,230 in 2011 and \$27,725 in 2010 | | 18,412 | | 17,053 |
| Other accounts receivable | | 2,754 | | 1,304 |
| Inventories | | 580 | | 1.077 |
| | | 262 | | 1.077 |
| Prepard expenses Due from third-party payors | | 9,300 | | 1(),85() |
| Due from IM Foundation | | | | |
| | | 526 | | 388 |
| Current portion of assets whose use is limited | | 5,604 | | 7,414 |
| Total current assets | | 47,353 | | 40,766 |
| Assets whose use is limited, net of current portion | | 17,418 | | 18,754 |
| Property, plant and equipment, net | | 86,564 | | 99,416 |
| Deferred financing costs, net | | 1,922 | | 2,121 |
| Other assets | | 13,441 | | 10,112 |
| Due from third-party payors | | 41 | | 1,429 |
| Total assets | \$ | 166,739 | \$ | 172,598 |
| Liabilities and net assets (deficiency) | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued expenses | \$ | 23,034 | \$ | 20,980 |
| Accrued salaries and related habilities | | 8,573 | • | 10,443 |
| Accrued bond interest payable | | 2,225 | | 2.285 |
| Current portion of due to third-party payors | | 6,059 | | 4,104 |
| Current portion of self-insured professional liabilities | | 5,145 | | 6.357 |
| Long-term debt in default | | 133,061 | | 3,460 |
| Current portion of long-term debt | | 1,456 | | 3,735 |
| Due to IM Foundation | | 9,810 | | - |
| Deferred revenue | | -,010 | | 346 |
| Total current habilities | - | 189,363 | | 51,710 |
| Self-insured professional liabilities, net of current portion | | 61,038 | | 64,885 |
| Accrued retirement benefits | | 52,368 | | 26.989 |
| | | • | | |
| Due to third-party payors and other liabilities, net of current portion | | 23,982 22,348 | | 22,387 |
| Long-term debt, net of long-term debt in default and current portion of long-term debt | | | | 153,449 |
| Total habilities | | 349,099 | | 319,420 |
| Commitments and contingencies | | | | |
| Net assets (deficiency) | | | | |
| Unrestricted | | (183,629) | | (150,368) |
| Temporarily restricted | | 160 | | 2,437 |
| Permanently restricted | | 1,109 | | 1,109 |
| Total net assets (deficiency) | | (182,360) | .5. | (146,822) |
| Total liabilities and net assets (deficiency) | <u>\$</u> | 166,739 | \$ | 172.598 |

See accompanying notes

Statements of Operations

(In Thousands)

| | Year Ended December 31 | | | |
|---|------------------------|----------|----|-------------|
| | 2011 | | | 2010 |
| | | | (A | s Adjusted) |
| Operating revenue | | | | |
| Net patient service revenue | \$ | 194,531 | \$ | 191,188 |
| Other revenue | | 7,754 | | 3,130 |
| Net assets released from restrictions | | 6,500 | | 4,101 |
| Total operating revenue | | 208,785 | | 198,419 |
| Operating expenses | | | | |
| Salaries and wages | | 104,070 | | 114,943 |
| Employee benefits | | 31,458 | | 33,153 |
| Supplies and other expenses | | 46,651 | | 75,173 |
| Provision for bad debts | | 14,505 | | 8,270 |
| Depreciation and amortization | | 14,952 | | 15,484 |
| Asset impairment loss | | _ | | 7,300 |
| Interest | | 6,603 | | 6,894 |
| Total operating expenses | | 218,239 | | 261,217 |
| Deficiency of operating revenue over operating expenses | | (9,454) | | (62,798) |
| Change in net assets related to defined benefit pension plans | | | | |
| liability to be recognized in future periods | | (23,807) | | (2,673) |
| Decrease in unrestricted net assets | \$ | (33,261) | \$ | (65,471) |

See accompanying notes.

Statements of Changes in Net Assets (Deficiency)

(In Thousands)

| | | Temporarily | Permanently | |
|--|--------------|-------------|-------------|--------------|
| | Unrestricted | Restricted | Restricted | Total |
| | * | | | |
| Net assets (deficiency), January 1, 2010 (as adjusted) | \$ (84,897) | \$ 2,443 | \$ 1,109 | \$ (81,345) |
| Decrease in unrestricted net assets | (65,471) | _ | _ | (65,471) |
| Net assets released from restrictions | _ | (4,101) | _ | (4,101) |
| Contributions and grants | | 4,095 | _ | 4,095 |
| Change in net assets (deficiency) | (65,471) | (6) | _ | (65,477) |
| Net assets (deficiency), December 31, 2010 | (150,368) | 2,437 | 1,109 | (146,822) |
| Decrease in unrestricted net assets | (33,261) | _ | _ | (33,261) |
| Net assets released from restrictions | _ | (6,500) | _ | (6,500) |
| Contributions and grants | | 4,223 | _ | 4,223 |
| Change in net assets (deficiency) | (33,261) | (2,277) | _ | (35,538) |
| Net assets (deficiency), December 31, 2011 | \$ (183,629) | \$ 160 | \$ 1,109 | \$ (182,360) |

See accompanying notes

Statements of Cash Flows

(In Thousands)

| | Year Ended December 31 2011 2010 | | | |
|---|-------------------------------------|-------------|-----------------|--|
| | | (2 | As Adjusted) | |
| Operating activities | | (2= =22) A | | |
| Change in net assets (deficiency) | \$ | (35,538) \$ | (65,477) | |
| Adjustments to reconcile change in net assets (deficiency) to | | | | |
| net cash used in operating activities | | | | |
| Depreciation and amortization, including deferred financing | | 14.421 | 1.1.052 | |
| costs and original issue premium Asset impairment loss | | 14,421 | 14,953 7,300 | |
| Changes in operating assets and liabilities | | _ | 7.300 | |
| Receivables for patient care, net | | (1,359) | 8,833 | |
| Other accounts receivable | | (1,450) | (110) | |
| Inventories | | 497 | 493 | |
| Prepaid expenses | | (113) | (10) | |
| Other assets | | (3,329) | (1.541) | |
| Accounts payable and accrued expenses | | 2,054 | 8,654 | |
| Accrued salaries and related liabilities | | (1,870) | 994 | |
| Accrued bond interest payable | | (60) | _ | |
| Self-insured professional liabilities | | (5,059) | 7,767 | |
| Accrued retirement benefits | | 25,379 | 2,721 | |
| Due from and to third-party payors and other | | · | | |
| long-term liabilities, net | | 6,488 | 2,055 | |
| Due from/to IM Foundation, net | | 9,672 | (226) | |
| Deferred revenue | | (346) | 346 | |
| Net cash used in operating activities | | 9,387 | (13,248) | |
| Investing activities | | | | |
| Capital expenditures | | (2,100) | (9,438) | |
| Net change in assets whose use is limited | | 3,146 | 21,104 | |
| Net cash provided by investing activities | | 1,046 | 11,666 | |
| Financing activities | | | | |
| Proceeds from restructuring pool loan | | 2,000 | _ | |
| Repayments of secured bonds payable | | (3,595) | _ | |
| Repayments of capital lease obligations and note payable | | (1,454) | (1,287) | |
| Net cash used in financing activities | | (3,049) | (1,287) | |
| Net increase (decrease) in cash and cash equivalents | | 7,384 | (2,869) | |
| Cash and cash equivalents, beginning of year | | 2,531 | 5,400 | |
| Cash and cash equivalents, end of year | \$ | 9,915 \$ | 2,531 | |
| Supplemental disclosure of cash flow information | | | | |
| Cash paid during the year for interest | \$ | 6,663 \$ | 7,427 | |

See accompanying notes

Notes to Financial Statements

December 31, 2011

1. Organization and Basis of Presentation

Organization

Interfaith Medical Center (the "Medical Center") is a not-for-profit acute care hospital with 287 licensed beds providing a full range of health care services primarily to residents of central Brooklyn, New York

In 1983, under an agreement to merge, the Medical Center assumed the operations of two acute care hospitals, Jewish Hospital and Medical Center of Brooklyn ("JHMCB") and St John's Episcopal Hospital ("SJEH"), the Brooklyn Division of the Episcopal Health Services, Inc ("EHS") (formerly the Church Charity Foundation)

Change in Reporting Entity

In 2011, the Medical Center changed its financial statement reporting entity to exclude IM Foundation (the "Foundation") retrospective to January 1, 2010. The Foundation is a not-for-profit organization whose purpose is to support the charitable, educational and scientific purposes of the Medical Center or other charitable organizations throughout the central Brooklyn community. As both entities are not-for-profit organizations which operate under common management, it is permissible under U.S. generally accepted accounting principles to present a combined reporting entity. In 2011, the Board of Trustees of the Medical Center determined that presenting Medical Center-only financial statements would provide a better understanding of the Medical Center's financial condition. The change in reporting entity was retrospectively applied to the financial statements of the Medical Center for all periods presented. The impact of the change in reporting entity on previously reported financial statement line items is as follows.

| | P | Amounts Previously Reported | A | djustments | As | Adjusted_ |
|--|----|-----------------------------------|----|------------|----|-----------|
| Balance sheet – December 31, 2010 | | | | | | |
| Assets limited as to use, net of current portion | \$ | 32,112 | \$ | (13,358) | \$ | 18,754 |
| Due from IM Foundation | | _ | | 388 | | 388 |
| Total assets | | 185,568 | | (12.970) | | 172,598 |
| Unrestricted net assets (deficiency) | | (137,398) | | (12.970) | | (150,368) |
| Total net assets (deficiency) | | (133.852) | | (12.970) | | (146.822) |
| Total liabilities and net assets | | 185,568 | | (12.970) | | 172,598 |

Notes to Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

| | Amounts Previously Reported | | Adjustments | | As Adjusted | |
|---|-----------------------------------|-----------|-------------|----------|-------------|-----------|
| Statement of operations – year ended December 31, 2010 | | | | | | |
| Other revenue | \$ | 3,321 | \$ | (191) | \$ | 3,130 |
| Total revenue | · | 198,610 | · | (191) | | 198,419 |
| Supplies and other expenses | | 75,396 | | (223) | | 75,173 |
| Total operating expenses | | 261,440 | | (223) | | 261,217 |
| Deficiency of operating revenue over operating expenses | | (62,830) | | 32 | | (62,798) |
| Decrease in unrestricted net assets | | (65,503) | | 32 | | (65.471) |
| Statement of changes in net assets | | | | | | |
| Net assets (deficiency), January 1, 2010 | \$ | (68,343) | \$ | (13,002) | \$ | (81,345) |
| Decrease in unrestricted net assets – year ended | | | | | | |
| December 31, 2010 | | (65,503) | | 32 | | (65,471) |
| Net change in net assets (deficiency) – year ended | | | | | | |
| December 31, 2010 | | (65,509) | | 32 | | (65,477) |
| Net assets (deficiency). December 31, 2010 | | (133,852) | | (12,970) | | (146,822) |
| Statement of cash flows – year ended December 31, 2010 | | | | | | |
| Net change in net assets (deficiency) | \$ | (65,509) | \$ | 32 | \$ | (65,477) |
| Due from IM Foundation | | _ | | (226) | | (226) |
| Net cash used in operating activities | | (13.054) | | (194) | | (13.248) |
| Net change in assets whose use is limited | | 20,910 | | 194 | | 21,104 |
| Net cash provided by investing activities | | 11,472 | | 194 | | 11,666 |

Basis of Presentation – Going Concern

At December 31, 2011, the Medical Center has an unrestricted net asset deficiency of approximately \$183 6 million and a working capital deficiency of approximately \$142 0 million Additionally, in 2011, the Medical Center did not meet its debt service fund requirements with respect to certain of its long-term debt agreements and was not in compliance with certain covenants of its loan agreements (see Note 5) As a result, the Medical Center is in default under these debt agreements which could result in the acceleration of substantially all of the Medical Center's long-term debt

Notes to Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

In 2011 and 2010, the Medical Center met the criteria to receive funds from the Indigent Care Pool (the "Pool") under the third-party payment methodology in accordance with the New York State Commissioner of Health's Administrative Rules and Regulations The Pool is designed to financially assist medical facilities that provide medical care to low income patients and might be adversely affected because revenues from those patients are insufficient to cover costs due to losses from bad debts and costs of charity care The Medical Center recorded revenue approximating \$14.7 million and \$15.5 million in 2011 and 2010, respectively, for amounts received, or to be received, from the Pool Continued availability of payments from, and funding of, the Pool is not certain

The Medical Center's continued existence is dependent upon future operations in which cash revenue exceeds expenses to provide for the maintenance of adequate working capital and reduction of the net asset deficiency. For this to occur, continuation of funding and additional financial support from the New York State Department of Health ("NYSDOH") is required, along with favorable results of other matters discussed below, which cannot be assured

Management's plans for dealing with the historical and ongoing effects of the net asset deficiency are focused on cost reduction, revenue enhancement, program evaluation, improving patient and clinical risk management, and shared or integrated services with other health care providers However, challenges in patient volume and patients' insured status or ability to pay for services create significant uncertainties in billing and collection for services rendered Changes in reimbursement methodologies associated with federal and New York State health care reform are expected to affect financial operations unfavorably based on reductions in reimbursement rates and transition of insured patients from traditional government programs into commercial managed care products Management expects to continue to receive funds from uncompensated care pools, although amounts to be received in future years could vary due to, but not limited to, increases or decreases in need for other New York State hospitals, revisions to distribution methodologies, and federal or state budget deficits that reduce funding of the pool

Additionally, in June 2011, a task force was established as part of New York State's Medicaid Redesign Team, and began examining data and utilization patterns at several financially challenged Brooklyn hospitals, including the Medical Center One of the principal recommendations of the task force is the formation of an affiliation among the Medical Center and certain other providers in the Brooklyn geography The Medical Center is engaged in discussions with the other entities about how such recommendation might be implemented, although it is unclear how such a plan will materialize, what structure a potential collaboration or affiliation might take, and the effects and timing, all of which cannot be determined at this time

Notes to Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

The Medical Center's working capital requirements are significantly affected by the timing of cash payments associated with its estimated long-term self-insured professional liabilities, amounts due to third-party payors and future pension funding While the classification of long-term estimates in the financial statements is based on historical and expected payment patterns, there is a high degree of uncertainty with respect to the timing of future cash payments Should amounts be due sooner than anticipated or in excess of amounts recorded, the Medical Center's working capital would be adversely affected, and such amounts could be material

The above matters raise substantial doubt about the Medical Center's ability to continue as a going concern The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. In the accompanying financial statements, estimates relate primarily, although not exclusively, to the estimated loss related to asset impairment, revenue recognition in the valuation of bad debt and contractual allowances and in the valuation of amounts due to and from third-party payors, the estimation of self-insured professional liabilities and the measurement of actuarially determined retirement liabilities. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates

Tax Status

The Medical Center qualifies as a Section 501(c)(3) tax-exempt organization under Section 501(a) of the Internal Revenue Code and its income is not subject to federal, New York State, or local income taxes

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with a maturity, when purchased, of three months or less, excluding amounts included in assets whose use is limited. The Medical Center maintains cash on deposit with major banks and invests in money market securities with high credit quality financial institutions. Total deposits maintained at these institutions at times exceed the amount insured by federal agencies and, therefore, bear a risk of loss

Assets Whose Use Is Limited

Assets reported within assets whose use is limited represent cash and investments whose use is restricted for specific purposes under internal designation or terms of agreements All investments are considered trading securities

Inventories of Supplies

Inventories are stated at the lower of cost (first-in, first-out method) or market Inventories are used in the provision of patient care and are not held-for-sale

Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at date of contribution Capital leases are recorded at the present value of future minimum lease payments at the inception of the leases and the related amortization of these assets is included in depreciation expense Depreciation expense is computed using the straight-line method over the estimated useful lives of such assets or the lesser of the estimated useful life of the asset or lease term

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If long-lived assets are deemed to be impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value (see Note 4)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain long-term financing Amortization of these costs is provided using the effective interest method over the term of the indebtedness Amortization, included in interest expense in the accompanying statements of operations, is approximately \$199,000 for the years ended December 31, 2011 and 2010

Receivables for Patient Care

Patient accounts receivable for which the Medical Center receives payment under cost reimbursement, prospective payment formulae or negotiated rates, which cover the majority of patient services, are stated at the estimated net amounts receivable from payors, which are generally less than the established billing rates of the Medical Center

The amount of the allowance for uncollectibles is based on management's assessment of historical and expected collections, business economic conditions, trends in health care coverage, and other collection indicators. Additions to the allowance for uncollectible accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided, and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations

Non-Medicare Payments

In New York State, hospitals and all non-Medicare payors, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates If negotiated rates are not established, payors are billed at hospitals' established charges Medicaid, workers' compensation and no-fault payors pay hospital rates promulgated by the New York State Department of Health Effective December 1, 2009, the New York State payment methodology was updated such that payments to hospitals for Medicaid, workers' compensation and no-fault

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

inpatient services are based on a statewide prospective payment system with retroactive adjustments, prior to December 1, 2009, the payment system provided for retroactive adjustments to payment rates, using a prospective payment formula Outpatient services also 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 is not recognized until the Medical Center is reasonably assured that such amounts are realizable Adjustments to the current and prior years' payment rates for those payors will continue to be made in future years

Medicare Payments

Medicare pays hospitals for most inpatient and outpatient services under its respective national prospective payment systems, and uses other, generally fee-schedule based, methodologies for payment for other services Federal regulations provide for certain adjustments to current and prior years' payment rates, based on industry-wide and hospital-specific data

The Medical Center has established estimates, based on information presently available, of amounts due to or from payors for adjustments to current and prior years' payment rates, based on industry-wide and Medical Center-specific data. These retroactive settlements are estimated and recorded in the financial statements in the year to which they apply. The estimated settlements recorded at December 31, 2011 and 2010 could differ materially from actual settlements based on the results of cost report audits and other events. For the years ended December 31, 2011 and 2010, the net effects of prior years' changes in estimates, adjustments and settlements related to third-party payor programs were approximately \$2.5 million and \$9.5 million (increase to net patient service revenue), respectively

Revenue from the Medicare and Medicaid programs accounted for approximately 89 3% and 79 1% of the Medical Center's net patient service revenue for the years ended December 31, 2011 and 2010, respectively

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 proposals and other market changes, including the potential effects of health care reform that has

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

been enacted by the federal and state governments, cannot presently be determined Future changes in the Medicare and Medicaid programs and any reductions of funding could have an adverse impact on the Medical Center

The current Medicaid, Medicare and other third-party programs are based upon extremely complex laws and regulations that are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been settled through 2004, although revisions to final settlements could be made. Other years remain open for settlement as are numerous years related to the New York State Medicaid program. Additionally, non-compliance with relevant laws and regulations could result in fines, penalties and exclusion from such programs. The Medical Center is not aware of any allegations of noncompliance that could have a material adverse effect on the financial statements and believes it is in compliance with all applicable laws and regulations.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors or granting agencies to a specific time period or purpose, generally for operating purposes. The funds for such purposes are commingled with the Medical Center's operating funds and are used in the Medical Center's overall cash management. Permanently restricted net assets are required, by donor restriction, to be invested in perpetuity. The income earned thereon is available for use in the Medical Center's operations. Net assets released from restrictions are primarily attributed to specific programs funded by various granting agencies.

Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity The Medical Center follows the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as they relate to its permanently restricted contributions and net assets, effective upon New York State's enactment of the legislation in September 2010 Previously, the Medical Center followed the requirements of the Uniform Management of Institutional Funds Act of 1972, although this change did not affect significantly the Medical Center's policies related to permanently restricted endowments

The Medical Center has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary The Medical Center classifies as permanently restricted net assets the

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment Accumulated earnings of the permanent endowment are used in accordance with the direction of the applicable donor gift

The Medical Center considers several factors in making a determination to appropriate or accumulate donor-restricted endowment funds, including but not limited to the following the duration and preservation of the fund, the purposes of the Medical Center and the donor-restricted endowment fund, general economic conditions, the possible effects of inflation and deflation, and the investment and spending policies of the Medical Center

Changes in endowment net assets for the years ended December 31, 2011 and 2010 are summarized in the following table

| | Permanently | | | | |
|--|----------------|----------|-------|--|--|
| | Res | stricted | Total | | |
| | (In Thousands) | | | | |
| Endowment assets at January 1, 2010, | \$ | 1,109 \$ | 1,109 | | |
| Investment return | | | | | |
| Investment income | | _ | _ | | |
| Net appreciation (realized and unrealized) | | _ | | | |
| Total investment return | | _ | _ | | |
| Endowment assets at December 31, 2010 | | 1,109 | 1,109 | | |
| Investment return | | | | | |
| Investment income | | _ | _ | | |
| Net appreciation (realized and unrealized) | | _ | _ | | |
| Total investment return | | _ | _ | | |
| Endowment assets at December 31, 2011 | \$ | 1,109 \$ | 1,109 | | |

Contributions

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

unrestricted net assets and reported in the statements of operations and statements of changes in net assets (deficiency) as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected in temporarily restricted net assets and net assets released from restrictions in the accompanying financial statements During the year ended December 31, 2011, the Medical Center reviewed the classification of amounts included within its temporarily restricted net assets and determined that certain restrictions had been met in prior periods Accordingly, approximately \$2 3 million for net assets released from restrictions is included in unrestricted net assets for the year ended December 31, 2011

Investment in Limited Liability Company

The Medical Center accounts for its investment in a limited liability company (the "LLC") using the equity method of accounting For the years ended December 31, 2011 and 2010, the Medical Center recorded within other revenue its equity in the income of the LLC of approximately \$2 1 million and \$1 7 million, respectively

Performance Indicator

The statements of operations include the deficiency of operating revenue over operating expenses as the performance indicator Changes in unrestricted net assets which are excluded from the performance indicator include the change in net assets related to defined benefit pension plans liability to be recognized in future periods

Transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and operating expenses

Uncompensated Care

The Medical Center reports care provided for which the patient's payment obligation was not fully satisfied as uncompensated care Uncompensated care is the sum of the Medical Center's charity care provided and the provision for bad debts. The total uncompensated care provided was \$21.2 million and \$15.8 million for the years ended December 31, 2011 and 2010, respectively

The Medical Center provides services without charge or at amounts less than its established rates to patients who meet the criteria of its charity care policy For patients who are deemed eligible

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

for charity care, care given but not paid for is classified as charity care Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, such services are not reported as revenue For the years ended December 31, 2011 and 2010, the estimated cost of charity care was approximately \$6 7 million and \$7 5 million, respectively. The estimated cost of charity care includes the direct and indirect cost of providing charity care services and is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care

For patients who were determined by the Medical Center to have the ability to pay but did not, the uncollected amounts are bad debt expense Distinguishing between bad debt and charity care is difficult in part because services are often rendered prior to full evaluation of a patient's ability to pay For the years ended December 31, 2011 and 2010, the provision for bad debts was approximately \$14.5 million and \$8.3 million, respectively

The Pool, as described in Note 1, was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue During the years ended December 31, 2011 and 2010, the Medical Center received approximately \$14.7 million and \$14.2 million, respectively, in Pool distributions, of which approximately \$9.2 million and \$10.1 million, respectively, was related to charity care. The Medical Center made payments into the Pool of approximately \$1.5 million and \$1.3 million for the years ended December 31, 2011 and 2010, respectively, for the 1% assessment.

Reclassifications

Certain reclassifications have been made to 2010 balances previously reported in order to conform with the current year presentation

New Accounting Standards

In August 2010, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No 2010-23, *Measuring Charity Care for Disclosure* ASU No 2010-23 requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided ASU No 2010-23 also requires separate disclosure of the amount of any cash reimbursements received for providing charity care

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

ASU No 2010-23 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010 The Medical Center adopted the provisions of ASU No 2010-23 in 2011

In August 2010, the FASB issued ASU No 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries.* Under ASU No 2010-24, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities are to be presented separately on the balance sheet ASU No 2010-24 is effective for fiscal years beginning after December 15, 2010 and was adopted by the Medical Center in 2011 As a result of the adoption of this standard, the Medical Center increased other noncurrent assets and other noncurrent liabilities by approximately \$1 6 million as of December 31, 2011

In July 2011, the FASB issued ASU No 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The provisions of ASU No 2011-07 require certain health care entities that recognize significant amounts of patient service revenue at the time the services are rendered without assessing the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue in the statement of operations rather than as an operating expense Additional disclosures relating to sources of patient service revenue and the allowance for uncollectible accounts are also required. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Medical Center plans to adopt the provisions of ASU No. 2011-07 in 2012.

In September 2011, the FASB issued ASU No 2011-09, *Disclosures about an Employer's Participation in a Multiemployer Plan* ("ASU 2011-09"), which requires additional disclosures about an employer's participation in multiemployer pension plans. The guidance is effective for fiscal years ending after December 15, 2011. The Medical Center adopted ASU 2011-09 and applied its provisions to the financial statements.

Notes to Financial Statements (continued)

3. Assets Whose Use Is Limited

Investments are marketable securities (primarily U S Government obligations) and cash equivalents, stated at fair value based on quoted market prices The designation of assets whose use is limited related to the Medical Center's tax-exempt bonds and for other purposes at December 31, 2011 and 2010 is set forth in the following table (in thousands)

| | 2011 | | 2010 |
|---|--------------|-----|-------------|
| | | (A. | s Adjusted) |
| Assets related to debt agreements | | | |
| Debt service fund | \$ 4,520 | \$ | 6,240 |
| Capital reserve fund | 10,572 | | 10,614 |
| | 15,092 | | 16,854 |
| Designated for other purposes | | | |
| Self-insurance fund trusteed assets | 6,807 | | 8,191 |
| Endowment fund-permanently restricted | 1,109 | | 1,109 |
| Land purchase escrow and other | 14 | | 14 |
| | 7,930 | | 9,314 |
| | 23,022 | | 26,168 |
| Less current portion | 5,604 | | 7,414 |
| Assets whose use is limited, net of current portion | \$ 17,418 | \$ | 18,754 |

Self-insurance fund trusteed assets are held in an escrow account by a trustee in accordance with a 2008 malpractice case settlement (see Note 8)

Investment income and net investment gains and losses, included in other revenue in the statements of operations, (on cash and cash equivalents and assets whose use is limited) was approximately \$55,000 and \$0.5 million for the years ended December 31, 2011 and 2010, respectively

Notes to Financial Statements (continued)

4. Property, Plant and Equipment

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

| | | 2011 | 2010 | Average Estimated Useful Life |
|---|-------|--|--|---|
| | (In T | housands) | | |
| Land Land improvements Buildings Fixed equipment Movable equipment | \$ | 1,305 1,225 27,574 29,237 78,411 | \$ 1,305 1,222 27,527 29,232 76,663 | 15 years 40 years 10 years 7 years |
| Leasehold improvements and leased building and equipment | | 26,076 163,828 | 26,076 162,025 | * |
| Less accumulated depreciation and amortization Construction in progress | | 78,077 813 | 63,125 516 | |
| Property, plant and equipment, net | \$ | 86,564 | \$ 99,416 | |

^{*} Amortized over the lease term or the life of the assets, whichever is shorter

Accumulated amortization for assets under capital lease obligations was approximately \$14.3 million and \$13.8 million at December 31, 2011 and 2010, respectively Substantially all property, plant and equipment have been pledged as collateral under various debt agreements

As a result of significant operating losses in 2010, the Medical Center performed an evaluation of long-lived assets at December 31, 2010 In performing the test, the Medical Center determined that the total of the expected future undiscounted cash flows directly related to its enterprise-wide asset group was less than the carrying value of the asset group, therefore, an impairment loss was required to be recorded. The impairment loss of \$7.3 million represents the difference between the fair value of the asset group and its related carrying value and is reported on the statement of operations for the year ended December 31, 2010, it has been allocated to various categories of fixed assets. Fair value of the asset group that was deemed to be impaired, principally fixed assets, was primarily based on a combination of the cost and sales comparison approaches. The cost approach provides an indication of the current cost to reproduce or replace an asset by an estimate of accrued depreciation. The sales comparison approach is based on the principle of whether a property is replaceable in the market. The remaining useful lives of the assets were also considered and determined to be reasonable based on presently known factors.

Notes to Financial Statements (continued)

4. Property, Plant and Equipment (continued)

At December 31, 2011, a similar analysis was performed to assess whether an additional impairment had been incurred No impairment loss was required to be recognized at December 31, 2011 Because of uncertainty in the current market, it is reasonably possible that the estimate of the fair value of the asset group may change in the near term

5. Long-Term Debt

Long-term debt consisted of the following at December 31

| | | 2011 | 2010 |
|--|----------------|---------|------------|
| | (In Thousands) | | |
| Secured bonds payable (a) | \$ | 118,880 | \$ 122,475 |
| Capital leases, at interest rates ranging | | | |
| from 5 2% to 6 4% (b) | | 17,340 | 18,710 |
| Dormitory Authority restructuring pool loan (c) | | 2,000 | _ |
| Dormitory Authority note payable (d) | | 12,181 | 12,265 |
| | | 150,401 | 153,450 |
| Original issue premium (net of accumulated | | | |
| amortization of \$2,918 and \$2,188) | | 6,464 | 7,194 |
| Less current portion | | 1,456 | 3,735 |
| Less long-term debt in default | | 133,061 | 3,460 |
| Total long-term debt, less current portion and long-term | | | |
| debt in default | | 22,348 | \$ 153,449 |

(a) In February 1998, the Medical Center participated in the issuance of \$148 5 million of bonds ("Series 1998 Bonds") through the Dormitory Authority of the State of New York (the "Dormitory Authority") The bonds were special obligations of the Dormitory Authority, with principal and interest payable from payments made by the Medical Center, pursuant to a mortgage (the "1998 Mortgage") Substantially all of the unrestricted assets and revenue of the Medical Center collateralized the 1998 Mortgage The proceeds of the bonds were used to finance the Medical Center's building and modernization project (the "Project"), which was completed during 2002, and to pay certain costs of issuance incurred in connection with the bond issue

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

The Project included a facilities improvement plan under which the Medical Center's two primary sites were consolidated, renovated and expanded The Project included the acquisition of the JHMCB and SJEH sites and renovation and construction at the SJEH site, the Medical Center sold the JHMCB facility during 2003 The Project also included construction of an ambulatory care center and construction of other facilities. The Project resulted in the redevelopment of the Medical Center as a community hospital and ambulatory care provider, through the decertification of 419 of the Medical Center's licensed beds, resulting in 287 beds consolidated at the SJEH site. In addition to funding costs of the Project, approximately \$22.0 million of bond proceeds were used to pay certain expenses and liabilities of the Medical Center. The remaining proceeds were used to establish reserve funds and for other purposes specified in the bond-related agreements.

On March 28, 2007, the Medical Center refinanced the 1998 Mortgage through participation in the issuance of bonds ("Series 2007 Bonds") in the amount of \$122,475,000 (excluding an original issue premium of \$10 1 million) through the Dormitory Authority for the purpose of providing funds which, together with other available funds, were used to (i) advance refund and defease all of the thenoutstanding Series 1998 Bonds of \$130,870,000, (ii) establish reserve funds specified in the bond-related agreements, and (iii) pay costs associated with the issuance of the Series 2007 Bonds Interest payments on the Series 2007 Bonds are due semiannually and principal payments are due annually The interest rates on the bonds range from 4 5% to 5 0% per annum

As of December 31, 2011, required principal repayments based on scheduled maturities on the Series 2007 Bonds for the next five years and thereafter, are as follows (in thousands)

| 2012 | \$ 4,610 |
|------------|---------------|
| 2013 | 4,835 |
| 2014 | 5,070 |
| 2015 | 5,315 |
| 2016 | 5,590 |
| Thereafter | 93,460 |
| | \$ 118,880 |

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

Under the terms of the Series 2007 Bonds agreement, the Medical Center is required to fund specified amounts to a debt service fund. The failure to make the required payments is considered an event of default, and if declared, could result in the acceleration of all outstanding amounts payable on the Series 2007 Bonds During October through December 2011 and continuing in 2012, the Medical Center did not meet its debt service funding requirements and received notice from the Dormitory Authority in April 2012 that the non-payment constitutes an event of default. As a result, the entire outstanding amount payable on the Series 2007 Bonds has been classified as a component of current liabilities (long-term debt in default) in the accompanying balance sheet at December 31, 2011

In addition, the Medical Center is required to maintain a specified debt service coverage ratio For 2011, the Medical Center did not meet its ratio requirement However, noncompliance with the ratio requirement is not considered an event of default and the Medical Center is undertaking the necessary actions required under the terms of its debt agreements

(b) In 2005, the Medical Center entered into a lease agreement for a new building for administrative and clinical services Construction of the building was completed and the building was occupied by the Medical Center in December 2007 Under the terms of the agreement, the Medical Center will pay specified lease payments and the building's ownership will revert to the Medical Center at the conclusion of the lease (in 2036) Future minimum lease payments, by year and in the aggregate, under the capital lease consisted of the amounts below at December 31, 2011 (in thousands)

| 2012 | \$ 1,104 |
|------------------------------|--------------|
| 2013 | 1,115 |
| 2014 | 1,127 |
| 2015 | 1,138 |
| 2016 | 1,149 |
| Thereafter | 25,557 |
| Total minimum lease payments | 31,190 |
| Less interest | 16,081 |
| Net minimum lease payments | \$ 15,109 |

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

In 2008, the Medical Center entered into two loan agreements with a commercial lender for the acquisition of certain capital equipment. Under the terms of the agreements, the Medical Center will pay specified lease payments and the Medical Center will have the option to purchase the equipment at the conclusion of the lease Future minimum lease payments, by year and in the aggregate, under the capital leases consisted of the amounts below at December 31, 2011 (in thousands)

| 2012 | \$ 1,384 |
|------------------------------|-------------|
| 2013 | 947 |
| Total minimum lease payments | 2,331 |
| Less interest | 100 |
| Net minimum lease payments | \$ 2,231 |

In connection with the two loan agreements, the Medical Center is required to submit its audited financial statements to the lender within a specified time period after year end Failure to do so is an event of default For 2010, the Medical Center did not meet this requirement As a result, the commercial lender had the ability to accelerate payment terms for the entire amount outstanding Consequently, the entire amount outstanding of \$2 3 million had been classified as a current obligation (long-term debt in default) at December 31, 2010

- (c) In November 2011, the Medical Center entered into a loan agreement with the Dormitory Authority as part of their restructuring pool loan program. The loan is due on January 1, 2013, with an interest rate of 1%. The loan agreement contains certain cross default provisions. As a result of the event of default related to the Series 2007. Bonds, an event of default has also occurred with respect to the restructuring pool loan which could result in the acceleration of all outstanding amounts payable for this loan. At December 31, 2011, the entire amount payable for this loan has been classified as a component of current liabilities (long-term debt in default) in the accompanying balance sheets.
- (d) In March 2005, the Medical Center entered into a long-term repayment agreement with the Dormitory Authority for approximately \$15 1 million related to a third-party payor liability due to the NYSDOH The agreement called for

Notes to Financial Statements (continued)

5. Long-Term Debt (continued)

repayment of the liability without interest over a 15-year period beginning after two years of positive financial performance by the Medical Center In July 2008, the Medical Center received correspondence from the Dormitory Authority that repayment would commence as of August 1, 2008 through June 1, 2023 in equal monthly installments of approximately \$84,000 In April 2011 and 2012, the Dormitory Authority granted one-year deferrals of payments under the repayment agreement Payments will resume on April 1, 2013 The loan agreement contains certain cross default provisions As a result of the event of default related to the Series 2007 Bonds, an event of default has also occurred with respect to this repayment agreement which could result in the acceleration of all outstanding amounts payable for this loan At December 31, 2011, the entire amount payable for this loan has been classified as a component of current liabilities (long-term debt in default) in the accompanying balance sheets

6. Operating Leases

Future minimum lease payments, by year and in the aggregate, under non-cancelable operating leases consisted of the amounts below at December 31, 2011 (in thousands)

| 2012 | \$ 1,243 |
|------------|--------------|
| 2013 | 601 |
| 2014 | 802 |
| 2015 | 798 |
| 2016 | 802 |
| Thereafter | 7,437 |
| | \$ 11,683 |

Rent expense charged to operations aggregated approximately \$1.6 million and \$2.0 million for the years ended December 31, 2011 and 2010, respectively

7. Pension Plans

The Medical Center maintains two non-contributory defined benefit pension plans One plan exclusively covers nursing personnel ("Nurses' Plan"), the other plan covers certain additional nurses and substantially all other employees not covered under a collective bargaining agreement with the 1199 Union ("Other Plan") Effective November 1991, pension benefits under the Other

Notes to Financial Statements (continued)

7. Pension Plans (continued)

Plan were frozen for non-nursing personnel On December 31, 2005, pension benefits under the Other Plan were frozen for nursing personnel Contributions to these plans made on behalf of nursing personnel are contractually obligated based on collective bargaining agreements With respect to other employees, the Medical Center's policy is to contribute amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Medical Center may deem appropriate from time to time

The Medical Center recognizes the funded status (i e, the difference between the fair value of plan assets and the projected benefit obligations) of the defined benefit pension plans in its balance sheets

Net unrecognized actuarial losses and net unrecognized prior service costs at the reporting date are recognized in the future as net periodic benefit cost pursuant to the Medical Center's accounting policy for amortizing such amounts Further, actuarial gains and losses that arise in subsequent periods that are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The following tables provide a reconciliation of the changes in both plans' benefit obligation and fair value of plan assets for 2011 and 2010 and a statement of the plans' funded status as of December 31, 2011 and 2010

| | | 2011 | 2010 |
|--|----------------|-------------|----------|
| | (In Thousands) | | |
| Change in benefit obligation | | | |
| Benefit obligation at beginning of year | \$ | 135,457 \$ | 127,399 |
| Service cost | | 1,429 | 1,141 |
| Interest cost | | 6,567 | 6,854 |
| Actuarial loss | | 18,506 | 6,874 |
| Benefit payments | | (7,181) | (6,811) |
| Benefit obligation at end of year | | 154,778 | 135,457 |
| Change in plan assets | | | |
| Fair value of plan assets at beginning of year | | 108,468 | 103,131 |
| Actual return on plan assets | | 595 | 10,811 |
| Employer contributions | | 528 | 1,337 |
| Benefit payments | | (7,181) | (6,811) |
| Fair value of plan assets at end of year | | 102,410 | 108,468 |
| Funded status at December 31 | \$ | (52,368) \$ | (26,989) |

The following amounts relate to the individual plans

| | Nurse | es' Plan | Othe | er Plan |
|--------------------------------|-------------|-------------|-------------|------------|
| | 2011 | 2010 | 2011 | 2010 |
| | | (In Tho | usands) | |
| Projected benefit obligation | \$ 105,168 | \$ 89,403 | \$ 49,610 | \$ 46,054 |
| Accumulated benefit obligation | \$ 101,861 | \$ 76,775 | \$ 49,610 | \$ 46,054 |
| Fair value of plan assets | \$ 69,177 | \$ 71,407 | \$ 33,233 | \$ 37,061 |
| | Nurse | es' Plan | Othe | er Plan |
| | 2011 | 2010 | 2011 | 2010 |
| | | (In Tho | usands) | |
| Funded status at December 31 | \$ (35,991) | \$ (17,996) | \$ (16,377) | \$ (8,993) |

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The following table provides the components of the net periodic benefit cost for the plans on a basis for the years ended December 31, 2011 and 2010

| | | 2011 | | 2010 |
|------------------------------------|----------------|---------|----|---------|
| | (In Thousands) | | | nds) |
| Service cost | \$ | 1,429 | \$ | 1,141 |
| Interest cost | | 6,567 | | 6,854 |
| Expected return on plan assets | | (9,094) | | (8,994) |
| Amortization of prior service cost | | _ | | 223 |
| Amortization of accumulated loss | | 3,198 | | 2,161 |
| Net periodic benefit cost | \$ | 2,100 | \$ | 1,385 |

Prior service costs were amortized in accordance with the plans' amortization schedules A 10% corridor is used to determine the amortization of unrecognized gains and losses

Included in unrestricted net assets at December 31, 2011 and 2010 are the following amounts that have not yet been recognized in net periodic benefit cost

| | 2011 | 2010 |
|-----------------------------|-------------|-------------|
| | (In The | ousands) |
| Unrecognized actuarial loss | \$ (61,003) | \$ (37,196) |
| | \$ (61,003) | \$ (37,196) |

The unrecognized actuarial losses included in unrestricted net assets expected to be recognized in net periodic benefit cost during the year ending December 31, 2012 are approximately \$6.2 million

The weighted-average assumptions used in determining the accumulated benefit obligations at December 31, 2011 and 2010 were as follows

| | Nurses' Plan | | Other Plan | |
|-------------------------------|--------------|-------|------------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| Discount rate | 4.05% | 5 09% | 3.90% | 4 94% |
| Rate of compensation increase | 3.00% | 3 00% | N/A | N/A |

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The weighted-average assumptions used in determining the net periodic benefit cost for the years ended December 31, 2011 and 2010 are shown in the following table

| _ | Nurse | s' Plan | Other Plan | | |
|--|----------------|----------------|--------------|--------------|--|
| | 2011 | 2010 | 2011 | 2010 | |
| Discount rate Expected long-term rate of return on | 5.09% | 5 66% | 4.94% | 5 53% | |
| plan assets Rate of compensation increase | 8.50% 3.00% | 8 50% 3 00% | 8.50% N/A | 8 50% N/A | |

The overall expected long-term rate of return on plans' assets is based on the historical returns of each asset class weighted by the target asset allocation. The expected long-term rate is periodically reviewed to update for changes in the investment marketplace.

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

| | 2011 | 2010 |
|--|------------|--------|
| Cash and cash equivalents | 1.2% | 1 5% |
| Equity securities | 8.6 | 8 4 |
| Equity mutual funds/common trust funds | 71.4 | 71 4 |
| Hedge funds | 7.9 | 7 9 |
| Debt securities | 7.8 | 7 2 |
| Private equity | 0.7 | 0 6 |
| Other | 2.4 | 3 0 |
| | 100.0% | 100 0% |

The plans' overall objective is to provide broad exposure to both developed and emerging markets Assets are diversified to minimize the impact of large losses in individual investments

Assets invested in the Nurses' Plan and the Other Plan are carried at fair value (see Note 12) Debt and equity securities with readily determinable values are carried at fair value based on independent published sources. The Other Plan holds alternative investments (non-traditional, not readily marketable holdings) which primarily consist of hedge funds. Alternative investment interests generally are structured such that the Other Plan holds a limited partnership interest or an interest in an investment management company. The Other Plan's ownership structure does

Notes to Financial Statements (continued)

7. Pension Plans (continued)

not provide for control over the related investees and the Other Plan's financial risk is limited to the carrying amount reported for each investee. Fair value for alternative investments is determined by the Other Plan for each investment using net asset value as a practical expedient, as permitted by U.S. generally accepted accounting principles, rather than using another valuation method to independently estimate fair value

Financial information used to evaluate alternative investments is provided by the investment manager or general partner and includes 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 coincide with the Medical Center's annual financial statement reporting. There is uncertainty in determining values of alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings and time lags associated with reporting by the investee companies. As a result, there is at least a reasonable possibility that estimates will change

The Medical Center expects to contribute approximately \$8 2 million to the plans in 2012

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

| Years ending December 31 | |
|--------------------------|-------------|
| 2012 | \$ 9,438 |
| 2013 | 9,616 |
| 2014 | 9,860 |
| 2015 | 10,150 |
| 2016 | 10,263 |
| 2017 to 2020 | 51,156 |

The Medical Center contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers union-represented employees of the Medical Center The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects

a Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers

Notes to Financial Statements (continued)

7. Pension Plans (continued)

- b If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- c If the Medical Center stops participating in the multiemployer plan, the Medical Center may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability

The Medical Center's significant participation in a multiemployer plan for the year ended December 31, 2011 is outlined in the table below The following information for the 1199 SEIU Healthcare Employees Pension Fund (the "1199 Plan") is included within the table

- a The "EIN/Pension Plan Number" column provides the plans' Employee Identification Number ("EIN") and the three-digit plan numbers
- b The Pension Plan Protection Act of 2006 ("PPA") zone status is based on information that the Medical Center received from the plan and is certified by the plan's actuaries Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded Unless otherwise noted, the most recent PPA zone status available in 2011 and 2010 is for the plan's year-end at December 31, 2010 and December 31, 2009, respectively
- c The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented
- d The column "Surcharge Imposed" indicates whether the Medical Center was required to pay a surcharge to the plan
- e The last column lists the expiration date of the collective-bargaining agreement to which the plans is subject

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The number of employees covered by the Medical Center 's multiemployer plan did not change significantly from 2010 to 2011 Contribution rates required to be paid to the plan have increased from 2010 to 2011 The Medical Center was not in the plan's 2010 Form 5500 as providing more than 5% of total plan contributions

| | | Pension I Act Zon | Protection e Status | 1 | | ions of the l Center | | Expiration Date of |
|---------------|----------------------------|----------------------|------------------------|------------------------------------|--------------|-------------------------|----------------------|--|
| Pension Fund | EIN/Pension Plan Number | 2011 2010 | | FIP/RP Status Pending/ Implemented | 2011 | 2010 | Surcharge Imposed | Collective- Bargaining Agreement |
| 1199 Plan (a) | 13-3604862 | Green | Red | Implemented | \$ 3,052,411 | \$ 2.875.612 | No | 4 30 15 |

⁽a) The 1199 Plan has implemented a rehabilitation plan for the period January 1, 2012 through December 31, 2024 In addition, in July 2009 wage concessions were agreed to, as well as an increase in annual contributions from contributing members

8. Insurance Arrangements

Since 1991, the Medical Center has been self-insured for professional liability claims. The annual provision for professional liability losses and expenses and the resultant self-insured liabilities included in the accompanying financial statements are based on the actuarially determined estimate of the liabilities and related expenses resulting from asserted and unasserted incidents. Professional self-insurance liabilities approximated \$60.8 million and \$71.2 million at December 31, 2011 and 2010, respectively

In January 2006, a jury awarded a plaintiff approximately \$316 million, which the Medical Center appealed In December 2008, the case was settled for approximately \$129 million, of which approximately \$15 million was paid upon settlement. The Medical Center is required to pay the remaining amount over a ten-year period through December 2018. The remaining payments are included as a component of professional self-insurance liabilities at December 31, 2011. The terms of the settlement agreement also required the Medical Center to establish an escrow fund for \$90 million to secure future payments. As payments are made by the Medical Center, amounts required to be in escrow are reduced. The escrow fund is included in assets whose use is limited in the accompanying balance sheets at December 31, 2011 and 2010 (see Note 3).

Notes to Financial Statements (continued)

8. Insurance Arrangements (continued)

The estimates for professional liabilities are based upon extremely complex actuarial calculations which utilize factors such as historical claim experience for the Medical Center and related industry factors, trending models, and estimates for the payment patterns of future claims. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

Professional liability claims have been asserted against the Medical Center by various claimants. The claims are in various stages of processing and some have been and may ultimately be brought to trial and others are in the approval process. Furthermore, there are known incidents that have occurred that may result in the assertion of additional claims, and other claims may be asserted arising from services provided to patients in the past. In management's opinion, the outcome of these matters, including the specific cases referred to above, will not have a material effect on the Medical Center's financial position.

9. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Medical Center Such lawsuits and claims are either specifically covered by insurance, accrued for in the Medical Center's financial statements, or are not deemed material While the outcome of these lawsuits cannot be determined at this time, management, based on advice from legal counsel, believes that any loss which may arise from these actions will not have a material adverse effect on the accompanying financial statements

Approximately 80% of the Medical Center's employees are covered by collective bargaining agreements Registered professional nurses are represented by the New York State Nurses Association (the "NYSNA") Effective January 1, 2012, the Medical Center and the NYSNA executed a new collective bargaining agreement, which is effective through December 31, 2014 Full-time and regular part-time licensed practical nurses and non-professional employees at the Medical Center are represented by Technicians and Health Care Workers of New York, Inc, Local 721, Service Employees 1199/SEIU, New York's Health and Human Services Union, AFL-CIO ("1199") The collective bargaining agreement between the League of Voluntary Hospitals, of which the Medical Center is a member, and 1199 is effective through April 30, 2015

Notes to Financial Statements (continued)

9. Commitments and Contingencies (continued)

The Department of Buildings of the City of New York issued a temporary certificate of occupancy ("TCO") for the buildings located at the Medical Center's hospital site, upon completion of the modernization project discussed in Note 1 The TCO for certain portions of the cellar, first floor, four-story addition, and parking lot expired on June 18, 2009 The Medical Center received an extension through December 2010 The Medical Center is working to extend the extension and obtain a permanent certificate of occupancy, although the outcome of this matter is uncertain

10. Functional Expenses

The Medical Center provides health care and related services, including graduate medical education Expenses related to primary services were as follows

| | Year Ended December 31 | | | | |
|--|------------------------|-------------------|----|----------------------|--|
| | | 2011 2010 | | | |
| | | (In Th | | 1s Adjusted) nds) | |
| Health care and related services General and administrative | \$ | 201,871 16,368 | \$ | 241,558 19,659 | |
| | \$ | 218,239 | \$ | 261,217 | |

11. Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under various third-party payor agreements. The concentration of net receivables from patients and third-party payors was as follows

| | December 31 | | | |
|------------------------------------|-------------|------|--|--|
| | 2011 | 2010 | | |
| Medicare and Medicare-managed care | 32% | 27% | | |
| Medicaid and Medicaid-managed care | 57 | 64 | | |
| Commercial payors | 3 | 8 | | |
| Self-pay patients | 8 | 1 | | |
| | 100% | 100% | | |

Notes to Financial Statements (continued)

12. Fair Values of Financial Instruments

For assets and liabilities required to be measured at fair value, the Medical Center 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 Medical Center'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 Medical Center 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 that 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

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 its entirety. In determining fair value, the Medical Center 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

Notes to Financial Statements (continued)

12. Fair Values of Financial Instruments (continued)

Financial instruments, including the defined benefit plans' assets carried at fair value as of December 31, 2011, are classified in the table below in one of the three categories described above (in thousands)

| | Level 1 | Level 2 | L | evel 3 | Total |
|-----------------------------------|---------------|--------------|----|--------|---------------|
| Cash and cash equivalents | \$ 19,086 | \$ _ | \$ | _ | \$ 19,086 |
| U S Government/Agency obligations | 15,106 | _ | | _ | 15,106 |
| Equity securities | 8,853 | _ | | _ | 8,853 |
| Equity mutual/common trust funds | 73,069 | _ | | _ | 73,069 |
| Debt securities | 7,941 | _ | | _ | 7,941 |
| Real assets | _ | 2,418 | | _ | 2,418 |
| Hedge funds | _ | 8,118 | | _ | 8,118 |
| Private equity | _ | _ | | 756 | 756 |
| | \$ 124,055 | \$ 10,536 | \$ | 756 | \$ 135,347 |

Financial instruments, including assets held in the defined benefit plans, carried at fair value as of December 31, 2010, are classified in the table below in one of the three categories described above (in thousands)

| | Level 1 | | I | Level 2 | | Level 3 | | Total |
|-----------------------------------|---------------|---------|----|---------|----|---------|----|---------|
| | (As Adjusted) | | | | | | | |
| Cash and cash equivalents | \$ | 13,395 | \$ | _ | \$ | _ | \$ | 13,395 |
| U S Government/Agency obligations | | 16,869 | | _ | | _ | | 16,869 |
| Equity securities | | 9,106 | | _ | | _ | | 9,106 |
| Equity mutual/common trust funds | | 74,093 | | 3,390 | | _ | | 77,483 |
| Debt securities | | 7,831 | | _ | | _ | | 7,831 |
| Real assets | | _ | | 3,303 | | _ | | 3,303 |
| Hedge funds | | _ | | 8,558 | | _ | | 8,558 |
| Private equity | | _ | | _ | | 622 | | 622 |
| | \$ | 121,294 | \$ | 15,251 | \$ | 622 | \$ | 137,167 |

Notes to Financial Statements (continued)

12. Fair Values of Financial Instruments (continued)

The following is a description of the Medical Center'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, or as described in Note 7 for certain alternative investments Inputs are obtained from various sources, including market participants, dealers and brokers Level 2 common collective trusts and alternative investments are redeemable in the near term Level 3 assets consist of private equity funds held by the defined benefit plans, the valuation for which is described in Note 7 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 Medical Center 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

The fair values and carrying values of the Medical Center's financial instruments that are not required to be carried at fair value are as follows at December 31

| | 20 |)11 | 20 | 010 |
|---|---------------|-------------------|---------------|-------------------|
| | Fair Value | Carrying Value | Fair Value | Carrying Value |
| | | (In The | ousands) | _ |
| Long-term debt, excluding capital leases and original issue | | | | |
| premium | \$ 149,335 | \$ 133,061 | \$ 140,383 | \$ 134,740 |

The fair value of the Medical Center's long-term debt is primarily based upon quoted market prices and other valuation considerations

Notes to Financial Statements (continued)

13. Other Revenue

Other revenue consists of the following for the years ended December 31, 2011 and 2010 (in thousands)

| | 2011 | | 2010 |
|---|-------------|-----|-----------|
| | | (As | Adjusted) |
| Investment income and net realized and unrealized | | | |
| gains and losses on investments | \$ 93 | \$ | 285 |
| Rental income | 535 | | 511 |
| Equity in income of the LLC | 2,086 | | 1,654 |
| Electronic health records incentive payments | 2,567 | | _ |
| Medical student training program | 1,865 | | _ |
| Other | 608 | | 680 |
| | \$ 7,754 | \$ | 3,130 |

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH") The provisions were designed to increase the use of electronic health record ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015

The Medical Center uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the Medical Center is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received EHR incentive payment revenue from Medicaid totaling approximately \$2.6 million for the year ended December 31, 2011 is included in other revenue. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the Medical Center's attestation of compliance with the meaningful use criteria is subject to audit by the federal government and/or NYSDOH.

Notes to Financial Statements (continued)

14. Related Party Transactions

In 2011, the Foundation provided operational cash flow funding of approximately \$9 8 million which will be repaid by the Medical Center The repayment terms are being developed, however, at December 31, 2011 the Medical Center classified the entire balance as a current liability

15. Subsequent Events

Subsequent events have been evaluated through June 27, 2012, the date the financial statements were issued In 2012, the Medical Center continues to incur cash losses and is focusing on various measures, as discussed in Note 1, to improve cash flow and stabilize its long-term viability Except as disclosed in Notes 5 and 9, subsequent events have not occurred that require disclosure in or adjustment to the financial statements

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