


Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>  The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047  <b>2010</b>  <b>Open to Public Inspection</b>
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<b>A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010</b>		
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Kenmore Mercy Hospital  Doing Business As  Number and street (or P O box if mail is not delivered to street address) Room/suite 515 Abbott Road No 500  City or town, state or country, and ZIP + 4 Buffalo, NY 142202039	<b>D Employer identification number</b>  16-0762843  <b>E Telephone number</b>  (716) 828-2993  <b>G</b> Gross receipts \$ 142,334,900
	<b>F</b> Name and address of principal officer Joseph D McDonald 2121 Main Street Buffalo, NY 14214	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
	<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀(insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
	<b>J Website:</b> ▶ www.chsbuffalo.org	
	<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
<b>L</b> Year of formation 1957		
<b>M</b> State of legal domicile NY		

Part I		Summary	
Activities & Governance	<b>1</b> Briefly describe the organization’s mission or most significant activities The Catholic Health System (CHS) Mission is to provide quality healthcare Services in an acute care setting Committed to a common mission, CHS providers continue the healing ministry of Jesus, seeking to improve the health of individuals and communities We provide high quality service that has reverence, compassion, justice, and excellence The 2010 Community Service Plan can be found at <a href="http://www.chsbuffalo.org">www.chsbuffalo.org</a>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	20
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	6
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b>	1,070
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	304
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	1,005,438	673,671
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d )	137,432,128	140,020,393
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	120,004	159,371
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,132,513	1,481,465
		139,690,083	142,334,900
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 )	0	0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	70,199,337	73,913,119
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	66,266,820	69,468,565
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	136,466,157	143,381,684
	<b>19</b> Revenue less expenses Subtract line 18 from line 12	3,223,926	-1,046,784
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	<b>20</b> Total assets (Part X, line 16)	91,718,201	93,746,757
	<b>21</b> Total liabilities (Part X, line 26)	71,675,411	74,848,782
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	20,042,790	18,897,975

<b>Part II Signature Block</b>					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of officer			2011-11-14 Date	
	David P Macholz VP, Finance/Corp Controller				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no ▶
May the IRS discuss this return with the preparer shown above? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No					

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

The Catholic Health System (CHS) Mission is to provide quality healthcare services in an acute care setting. Committed to a common mission, CHS providers continue the healing ministry of Jesus, seeking to improve the health of individuals and communities. We provide high quality service that has reverence, compassion, justice, and excellence. The 2010 Community Service Plan can be found at [www.chsbuffalo.org](http://www.chsbuffalo.org)

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☒

No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

☒

No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a

(Code ) (Expenses \$ 76,120,601 including grants of \$ ) (Revenue \$ 100,187,937 )

Inpatient surgical services provided 2,590 I/P surgery visits, 560 visits for G I Lab, and 117 visits for urology. Inpatient Surgical services provides 34,126 acute care patient days and 4,681 medical rehab service days. The Skilled Nursing Facility provided 56,272 days of care.

4b

(Code ) (Expenses \$ 28,871,322 including grants of \$ ) (Revenue \$ 37,999,676 )

Outpatient surgical services provides 3,467 outpatient surgery visits, 4,379 G I visits, 1,831 Interventional Radiology visits and 178 Transfusion visits. Outpatient services also provided 21,122 ED visits and 89,273 Referred Ambulatory visits.

4c

(Code ) (Expenses \$ 1,392,507 including grants of \$ ) (Revenue \$ 1,832,780 )

Primary Care Centers and Clinics provided 29,997 visits.

4d

Other program services (Describe in Schedule O )

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

4e

















Total program service expenses

\$ 106,384,430

Form 990 (2010)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	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? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</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? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	No

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	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? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c	Yes	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	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? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	88		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	1,070	Yes	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b		
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d If "Yes," indicate the number of Forms 8282 filed during the year.			7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		No
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		No
9 Sponsoring organizations maintaining donor advised funds.					
a Did the organization make any taxable distributions under section 4966?			9a		No
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b		No
10 Section 501(c)(7) organizations. Enter					
a Initiation fees and capital contributions included on Part VIII, line 12.			10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			10b		
11 Section 501(c)(12) organizations. Enter					
a Gross income from members or shareholders.			11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.			13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			13b		
c Enter the amount of reserves on hand.			13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			14b		

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes 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. David P Macholz VP FinanceCorporate Controller 515 Abbott Road Buffalo, NY 142202039 (716) 828-2974

Check if Schedule O contains a response to any question in this Part VII ☐ ☒

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

Form **990** (2010)

## Part VII

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								1,212,637	6,252,750	791,431

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶39

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

## Section B. Independent Contractors

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Elder Medical Services PC 132 Cayuga Rd Suite 1C Cheektowaga, NY 14225	Medical Services	564,060
Buffalo Niagara Hospitalists LLC 2950 Elmwood Ave Kenmore, NY 14217	Medical Services	422,500
Sodexho Operations LLC 60 Grider Street Buffalo, NY 14215	Laundry Service	357,610
R & P Oakhill Development LLC 3556 Lakeshore Rd Suite 620 Buffalo, NY 14219	Construction Service	345,373
Seton Imaging 3730 Shendan Dr Amherst, NY 14226	Medical Services	312,800
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <b>14</b>		



Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections  512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . . .	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	673,671				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f . . . . .		673,671				
	Program Service Revenue			Business Code				
2a		Patient Service Revenu	900099	70,367,116	70,367,116			
b		Medicare/Medicaid	900099	69,653,277	69,653,277			
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f . . . . .		140,020,393				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .		156,225			156,225
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties . . . . .						
	6a	Gross Rents	(i) Real 287,317	(ii) Personal	287,317		287,317	
		b	Less rental expenses					
		c	Rental income or (loss)	287,317				
		d	Net rental income or (loss) . . . . .					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 3,146	3,146		3,146	
		b	Less cost or other basis and sales expenses					
		c	Gain or (loss)	3,146				
		d	Net gain or (loss) . . . . .					
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a					
		b	Less direct expenses . . . . .	b				
		c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19 .	a					
		b	Less direct expenses . . . . .	b				
		c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances . . . . .	a					
		b	Less cost of goods sold . . . . .	b				
		c	Net income or (loss) from sales of inventory . .					
	Miscellaneous Revenue		Business Code					
	11a	Shared Services	900099	658,319			658,319	
		b	Cafeteria	900099	252,618			252,618
c		Phone & Television	900099	28,453			28,453	
d		All other revenue . . . . .		254,758			254,758	
e		Total. Add lines 11a-11d . . . . .		1,194,148				
12	Total revenue. See Instructions . . . . .		142,334,900	140,020,393	0	1,640,836		

Part IX

Statement of Functional Expenses

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

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	481,951		481,951	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7	Other salaries and wages	57,731,762	41,235,335	16,496,427	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	2,536,684	1,796,845	739,839	
9	Other employee benefits . . . . .	9,716,725	6,882,784	2,833,941	
10	Payroll taxes . . . . .	3,445,997	2,440,951	1,005,046	
a	Fees for services (non-employees)				
	Management . . . . .				
b	Legal . . . . .	32,659	32,659		
c	Accounting . . . . .				
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .				
g	Other . . . . .				
12	Advertising and promotion . . . . .	78,390	57,130	21,260	
13	Office expenses . . . . .	36,925,971	36,506,861	419,110	
14	Information technology . . . . .	139,986	19,787	120,199	
15	Royalties . . . . .				
16	Occupancy . . . . .	2,324,787	376,613	1,948,174	
17	Travel . . . . .	19,729	13,506	6,223	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	15,815	12,791	3,024	
20	Interest . . . . .	1,351,805	1,351,805		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	5,980,258	3,443,660	2,536,598	
23	Insurance . . . . .	1,058,980	687,892	371,088	
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	Purchase Services	9,985,700	4,845,453	5,140,247	
b	Professional Fees	4,260,614	2,157,761	2,102,853	
c	Bad Debt	3,328,188	3,328,188		
d	Shared Service and Dues	1,125,573		1,125,573	
e					
f	All other expenses	2,840,110	1,194,409	1,645,701	
25	Total functional expenses. Add lines 1 through 24f	143,381,684	106,384,430	36,997,254	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	
	2	Savings and temporary cash investments . . . . .			17,279,252	2	15,738,719
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			16,932,804	4	19,476,223
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			439,512	8	1,454,156
	9	Prepaid expenses and deferred charges . . . . .			1,167,739	9	1,385,720
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	92,367,805			
	b	Less: accumulated depreciation . . . . .	10b	48,498,120	44,463,223	10c	43,869,685
	11	Investments—publicly traded securities . . . . .				11	
	12	Investments—other securities. See Part IV, line 11 . . . . .				12	
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			11,435,671	15	11,822,254
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			91,718,201	16	93,746,757	
Liabilities	17	Accounts payable and accrued expenses . . . . .			18,446,551	17	20,746,095
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			14,182,666	20	13,318,952
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			12,131,192	23	11,520,986
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			26,915,002	25	29,262,749
	26	Total liabilities. Add lines 17 through 25 . . . . .			71,675,411	26	74,848,782
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			19,969,384	27	18,746,304
	28	Temporarily restricted net assets . . . . .			73,406	28	151,671
	29	Permanently restricted net assets . . . . .				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			20,042,790	33	18,897,975
34	Total liabilities and net assets/fund balances . . . . .			91,718,201	34	93,746,757	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	142,334,900
2	Total expenses (must equal Part IX, column (A), line 25)	2	143,381,684
3	Revenue less expenses Subtract line 2 from line 1	3	-1,046,784
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,042,790
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-98,031
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	18,897,975

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		No

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization Kenmore Mercy Hospital	Employer identification number 16-0762843
--	--

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)
- |          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |
- | (i)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>Amount of support |
|---------------------------------------|-------------|---|---|----|--|----|---|----|----------------------------|
|                                       |             |   | Yes   | No | Yes  | No | Yes   | No |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
|                                       |             |   |   |    |  |    |   |    |                            |
| Total                                 |             |   |   |    |  |    |   |    |                            |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2010

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

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

Facts And Circumstances Test



Additional Data

Software ID:  
Software Version:  
EIN: 16-0762843  
Name: Kenmore Mercy Hospital

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Joseph McDonald President and CEO , CHS	37 50	X		X				0	1,088,696	34,591
Mark Sullivan Executive VP/COO	37 50	X		X				0	454,703	23,394
James Millard President & CEO , Kenmore Mercy	37 50	X		X				283,785	0	107,952
David Macholz Treasurer	37 50	X		X				0	213,026	24,885
Brian Beitz Director	1 00	X						0	0	0
Peter Bergmann Director	37 50	X						0	540,698	22,696
Frances Crosby Director	1 00	X						0	0	0
Richard Curran Director	1 00	X						0	0	0
Dennis Dombek Director	1 00	X						0	0	0
Michael Edbauer Director	25 00	X						0	263,226	28,072
Christine Kluckhohn President & CEO of Continuing Care	37 50	X			X			0	282,394	80,000
William Lawley Director	1 00	X						0	0	0
James Manzella Director	1 00	X						0	0	0
Dr Paul Mason Director	1 00	X						25,000	0	0
Dr David Serra Director	1 00	X						0	0	0
Cynthia Zane Director	1 00	X						0	0	0
Monsignor Robert E Zapfel Director	1 00	X						0	0	0
Michael Montante Director	1 00	X						0	0	0
Dr Carlos Santos Director	1 00	X						0	49,913	0
Charles J Urlaub Director	37 50	X						0	390,466	28,411
James A Dunlop Jr Executive VP, Finance/CFO	37 50			X				0	418,170	69,366
Dr Brian D'Arcy Senior VP, Medical Affairs	37 50			X				0	593,295	36,492
Walter Ludwig Chief Operating Officer	37 50			X				173,166	0	15,934
Michael Moley Sr VP Human Resources	37 50				X			0	386,794	32,632
John Stavros Sr VP Marketing/PR	37 50				X			0	237,811	36,530

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Maria Foti Senior VP of Planning	37 50				X			0	220,400	18,990
Bartholomew Rodrigues Sr VP of Mission Integration	37 50				X			0	209,261	26,510
Dr Michael Galang Chief Information Officer	37 50				X			0	322,847	18,981
Dr James Fitzpatrick VP Medical Affairs	37 50					X		170,307	0	27,616
Dr Semira Khawar Physician	37 50					X		149,388	0	15,143
Dr Avtar Samra Physician	37 50					X		140,389	0	27,645
Dr Ayesha Butt Physician	37 50					X		136,014	0	16,332
Cheryl Hayes VP, Patient Care Services	37 50					X		134,588	0	11,797
K David Crone Former Sr VP Strategics Services	0 00						X	0	289,735	39,608
John Davanzo Former Sr VP Regional Develop	0 00						X	0	291,315	47,854

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
Kenmore Mercy Hospital

Employer identification number  
16-0762843

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
2a	Total number of conservation easements
2b	Total acreage restricted by conservation easements
2c	Number of conservation easements on a certified historic structure included in (a)
2d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►\_\_\_\_\_

4

Number of states where property subject to conservation easement is located ►\_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►\_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ►\$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance . . . . .				
b	Contributions . . . . .				
c	Investment earnings or losses . . . . .				
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .				
f	Administrative expenses . . . . .				
g	End of year balance . . . . .				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .	235,852			235,852
b Buildings . . . . .	57,578,029		34,129,813	23,448,216
c Leasehold improvements . . . . .	6,570,316		1,092,378	5,477,938
d Equipment . . . . .	19,933,153		12,912,530	7,020,623
e Other . . . . .	8,050,455		363,399	7,687,056
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				43,869,685

Schedule D (Form 990) 2010



Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1142,334,900
2	Total expenses (Form 990, Part IX, column (A), line 25)	2143,381,684
3	Excess or (deficit) for the year Subtract line 2 from line 1	3-1,046,784
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-573,671
9	Total adjustments (net) Add lines 4 - 8	9-573,671
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10-1,620,455

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements . . . . .	1141,761,229
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e0
a	Net unrealized gains on investments . . . . .2a	
b	Donated services and use of facilities . . . . .2b	
c	Recoveries of prior year grants . . . . .2c	
d	Other (Describe in Part XIV) . . . . .2d	
e	Add lines 2a through 2d . . . . .	2e0
3	Subtract line 2e from line 1 . . . . .	3141,761,229
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c573,671
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a	
b	Other (Describe in Part XIV) . . . . .4b573,671	
c	Add lines 4a and 4b . . . . .	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5142,334,900

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements . . . . .	1143,381,684
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e0
a	Donated services and use of facilities . . . . .2a	
b	Prior year adjustments . . . . .2b	
c	Other losses . . . . .2c	
d	Other (Describe in Part XIV) . . . . .2d	
e	Add lines 2a through 2d . . . . .	2e0
3	Subtract line 2e from line 1 . . . . .	3143,381,684
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c0
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a	
b	Other (Describe in Part XIV) . . . . .4b	
c	Add lines 4a and 4b . . . . .	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5143,381,684

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
Part XI, Line 8 - Other Adjustments		Contributions from Foundation -573,671
Part XII, Line 4b - Other Adjustments		Contributions from Foundation 573,671

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public  
Inspection

**Name of the organization**  
Kenmore Mercy Hospital

**Employer identification number**  
16-0762843

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	Yes	
1b	If "Yes," is it a written policy? . . . . .	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  <b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care  <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>110.000000000000 %</u></div>	Yes	
	<b>b</b> Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . .  <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other <u>500.000000000000 %</u></div>	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	Yes	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		No
6a	Does the organization prepare a community benefit report during the tax year? . . . . .	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			1,425,490	193,030	1,232,460	0 860 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .			10,246,818	7,008,622	3,238,196	2 260 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Financial Assistance and Means-Tested Government Programs . . . . .			11,672,308	7,201,652	4,470,656	3 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			450,229		450,229	0 310 %
f Health professions education (from Worksheet 5) . . . . .			345,390		345,390	0 240 %
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .			30,036		30,036	0 020 %
j Total Other Benefits . . . . .			825,655		825,655	0 570 %
k Total. Add lines 7d and 7j . . . . .			12,497,963	7,201,652	5,296,311	3 690 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		428		428	0 %
7	Community health improvement advocacy					
8	Workforce development		80,037		80,037	0 060 %
9	Other					
10	Total		80,465		80,465	0 060 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost) . . . . .	2	1,597,197	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy . . . . .	3	1,580,145	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) . . . . .	5	30,130,983	
6	Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	31,386,659	
7	Subtract line 6 from line 5. This is the surplus or (shortfall) . . . . .	7	-1,255,676	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy? . . . . .	9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI . . . . .	9b		No

Part IV

Management Companies and Joint Ventures

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



## Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

**Schedule H (Form 990) 2010**

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address		Type of Facility (Describe)
1	Ken-Ton Family Care 300 Two Mile Creek Rd Tonawanda, NY 14150	Extension Clinic Pediatric O/P, Prenatal O/P, Primary Medical Care O/P
2	Ken-Ton Family Care 300 Two Mile Creek Rd Tonawanda, NY 14150	Extension Clinic Pediatric O/P, Prenatal O/P, Primary Medical Care O/P
3	Ken-Ton Family Care 300 Two Mile Creek Rd Tonawanda, NY 14150	Extension Clinic Pediatric O/P, Prenatal O/P, Primary Medical Care O/P
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 6a The Kenmore Mercy Hospital Community Benefit Report is contained in a report prepared by the Catholic Health System
		Part I, Line 7 Costing is a full step down methodology of cost from non-revenue producing departments to revenue producing departments', with assignment of cost to individual charge items based on volume and charge amount All patient accounts are cost with the same methodology regardless of patient type (inpatient, outpatient, emergency room, etc ) or insurance coverage (Medicare, Medicaid, private insurance, uninsured, etc )
		Part I, L7 Col(f) Bad debt expenses of \$3,328,188 are included in Part IX, line 25, column (A) but subtracted when calculating the percentage in column (f)
		Part II Kenmore Mercy Hospital provided Community Building in the form of Leadership Development which improved community leadership by promoting understanding of community healthcare needs and services at various events throughout the community Additionally Workforce Development was provided by mentoring and education to students regarding healthcare careers throughout the community
		Part III, Line 4 The amount in Part III line 2 is the actual bad debt expenses of \$3,328,188 written down to cost, utilizing the Uninsured Ratio of Cost to Charges (RCC) obtained from the full step down methodology of cost described in Part 1, line 7 The amount in Part III line 3 is the estimate of bad debt from uninsured balance which is developed as follows as policy is to write accounts to bad debt 120 days after discharge, the discharge date period of 10/1/2009 to 9/30/2010 was used to determine the population of uninsured accounts The balance of these accounts was determined and the RCC was applied to develop the estimate in H Part III Line 3 As our determination of eligibility for the Healthcare Assistance Program (HAP) (Charity Care) is based solely on the presentation for care without insurance, which is now for each account, and use of a sophisticated estimator (PARO) of each guarantor's ability to pay an estimate of "the amount that reasonably could be attributable to patients who likely would qualify for financial assistance under the hospital's charity care policy if sufficient information had been available to make a determination of their eligibility" is not relevant The organization's financial statements do not include a footnote that describes bad debt expense, but the financial statements account for bad debt expenses in the statement of operations as actual expenses written off and an estimate of future write-offs less any recoveries
		Part III, Line 8 The costing methodology used to determine the Medicare Allowable costs is Cost to Charge The shortfall is not treated as a community benefit
		Part V, Section A Audiology O/P, Clinic P/T Services, Clinical Laboratory Services, Coronary Care, CT Scanner, Emergency Department, Intensive Care, Medical Social Services, Health Fairs O/P, Medical/Surgical, Nuclear Medicine-Diagnostic, Nuclear Medicine-Therapeutic, Pediatric O/P, Pharmaceutical Service, Physical Medical Rehab, Physical Medicine and Rehab O/P, Primary Medical Care O/P, Radiology-Diagnostic, Renal Dialysis-Acute, Respiratory Care, PT O/P, OT O/P, and Therapy-Speech Language, Pathology
		Part VI, Line 2 Kenmore Mercy Hospital, as part of Catholic Health, involves many participants in assessing community health needs including 1 New York State Department of Health Prevention Agenda for the Healthiest State Erie County Department of Health Catholic Health Kaleida Health Erie County Medical Center Sheehan Memorial Hospital 2 Health Consumers 3 Patients/residents/clients A Hospital Inpatients and OutpatientsB Nursing Home Residents and Families C Rehabilitation Patients D Primary Care Center Patients E Home Care Clients 4 Physicians 5 External Organizations6 Statistical Resources1 New York State Department of Health Prevention Agenda for the Healthiest State Catholic Health worked in collaboration with the Erie County Department of Health, Kaleida Health, ECMC and Sheehan Memorial on the Erie Co DOH Prevention Agenda for the Healthiest State In February 2009, an Erie County Joint Planning Committee formed to identify prevention priorities and strategies to focus on collaboratively over the next 3 years 2 Health Consumers In creating the Catholic Health and Kenmore Mercy Hospital strategic plan, input was sought from a variety of constituents including consumers In August 2008, eight (8) consumer focus groups were conducted asking consumers what they wanted from their patient care experience These focus groups were created by reaching out to 8,000 area residents who were asked to contact friends/families/neighbors to participate 3 Patients/residents/clients A Hospital Inpatients and Outpatients Kenmore Mercy Hospital continues to participate in a regional patient satisfaction survey through a cooperative effort with the Buffalo Niagara Health Quality Coalition and area hospitals Patient participation is voluntary This survey takes place twice per year Through hospital admission and outpatient ancillary sites, surveys were distributed to individuals to gain an understanding about their healthcare needs and how well their needs were being met 4 Physicians Kenmore Mercy Hospital surveys its medical staff annually Physicians are surveyed on issues relating to the quality and efficiency of services offered throughout Catholic Health including at Kenmore Mercy Hospital 5 External OrganizationsCatholic Health and Kenmore Mercy Hospital also engaged in the P2 Collaborative (Pursuing Perfection) dedicated to improving the health of people across the region There are more than 200 participant organizations including the provider community, payers, community based organizations, religious organizations, local business, colleges & universities, and governmental agencies Areas of focus include working with physicians and organizations to enhance access to care and improve efficiency of care and empowering all of the Western New York community to take responsibility for and act on their own wellness In an effort to engage health care needs at the grass roots level, Catholic Health and Kenmore Mercy Hospital work closely with the following organizations to assess community health need Niagara Health Quality CoalitionCommunity Cancer CoalitionAmerican Heart Association Near East & West Side Task ForceBaker Victory Services Community Health Center of BuffaloNY Osteoporosis Resource Ctr WNY Health Equity Work GroupLiving Healthy Task Force of Erie Co Minority Health CoalitionBuffalo Public Schools Worksite WellnessFlu CoalitionEvery Parent Influences Children (EPIC)Tobacco CoalitionWNY Coalition for DiabetesCommunity Health FoundationErie Co Coalition for DiabetesWNED Public TelevisionCatholic Charities Niagara University6 Statistical ResourcesCatholic Health and Kenmore Mercy Hospital used PQI (Preventable Quality Indicators) to map specific areas by zip code to better understand needs and target for need We mapped specifically for Congestive Heart Failure, Hypertension, Angina & Diabetes to identify target areas for community education & screening initiatives Other statistical resources used to assess the needs of the communities served include "A Community Report What People Want for the Future of Healthcare in WNY""NYS Expanded Behavioral Risk Factor Surveillance System" January 2008"Buffalo Public Schools Student Body Mass Index" 2008-2009 school year"Erie County Health Assessment Indicators" 2005-2007"Erie County Health Indicators Profile" 2003-2007
		Part VI, Line 3 Kenmore Mercy Hospital 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 Catholic Health System Healthcare Assistance Program (HAP) policy For example, Kenmore Mercy Hospital has posters and brochures available which include contact information for the Financial Clearance staff in admissions areas, emergency rooms, primary care and outpatient rehabilitation clinics, Revenue Management Center (RMC) and other areas of the organization's facilities where eligible patients are likely to be present, provides information about financial assistance and HAP contact information to patients as part of the intake process, provides financial assistance and HAP contact information to inpatients either during or within 90 days of discharge of their hospital stay, patient bills include the following language "The Catholic Health System has a Healthcare Assistance Program to assist those in need of financial assistance for qualified patients If you would like to obtain additional information on the Healthcare Assistance Program, please call (716) 601-3600 Thank you Our Customer Service area is our front end team to assist all patients in this process " Additionally, we discuss with the patient the availability of various government benefits, such as Medicaid or state programs, and assist the patient with qualification for such programs, where applicable, and there is information about financial aid posted on the Catholic Health System website
		Part VI, Line 4 Kenmore Mercy Hospital serves a mostly suburban partially urban service area which is comprised of 89 1% white (non-Hispanic) and 3 8% African-American (non-Hispanic) households The service area is more elderly than most with 19 2% of the population over the age of 65 compared to a national average of 12 9% The community also consists of slightly fewer households than the national average with annual incomes below \$15,000/year at 12 0% compared to a national average of 12 4% Although Kenmore Mercy Hospital is not located in a designated Health Professional Shortage Area (HPSA), the hospital draws patients from other HPSAs in the region and one of its extension clinics is in a designated HPSA area
		Part VI, Line 6 Catholic Health System's community service activities at the acute facilities include benefits to the broader community, which include non-billed services and provided services paid below costs Charity care and benefits to the community are provided through long term care facilities, home care programs and Catholic Health system-wide community programs These programs touch more than 40,000 Western New York residents through community health education programs, health screenings, clinical and support services, clerkships, internships, scholarships, in-kind donations and community support activities The governing Board of Directors of Kenmore Mercy Hospital is comprised of community representatives from universities, legal communities, & business leaders Religious orders are represented, as well as active and retired medical staff members The Kenmore Mercy Hospital medical staff can be considered and "open" medical staff, as any physician can apply for privileges Each application is reviewed by a vigorous credentialing verification process
		Part VI, Line 7 Kenmore Mercy Hospital is affiliated with the Catholic Health System, Inc , a New York State licensed corporation Catholic Health System, located in Buffalo, New York is exempt from taxation and is a charitable organization described in Section 501(c) (3) of the Internal Revenue Code of 1986 Catholic Health is also the parent company of the following New York State corporations Mercy Hospital of Buffalo, Sisters of Charity Hospital, Father Baker Manor, St Elizabeth's Home of Lancaster, St Francis Home of Williamsville, and St Vincent's Home for the Aged, and Our Lady of Victory Senior Neighborhood
Reports Filed With States	Part VI, Line 7	NY

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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  
Kenmore Mercy Hospital

Employer identification number  
16-0762843

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	Yes
b	Any related organization?	6b	Yes
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								
( 2 )								
( 3 )								
( 4 )								
( 5 )								
( 6 )								
( 7 )								
( 8 )								
( 9 )								
( 10 )								
( 11 )								
( 12 )								
( 13 )								
( 14 )								
( 15 )								
( 16 )								

**Part III**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Lines 4a-b	Certain Officers and Key employees participated in a supplemental nonqualified retirement plan per the terms and conditions of their employment arrangement Pension Gap CHE SERP Joseph McDonald \$26,000 \$114,535 Dr Brian D'Arcy \$9,800 K David Crone \$17,000 John Davanzo \$16,875 Michael Moley \$20,697
	Part I, Line 6	The 2010 Incentive payments were dependent upon achieving the Catholic Health System Operating Income target for Catholic Health System participants or the Ministry Operating Income target for Ministry participants. Joseph McDoanld \$214,448 Mark Sullivan \$86,846 James A Dunlop, Jr \$81,292 John Davanzo \$58,579 Michael Moley \$58,450 Christine Kluckhohn \$47,107 John Stavros \$39,533 Dr Michael Galang \$35,327 Bartholoneu Rodrigues \$34,256 Maria Foti \$31,835 Peter Bergmann \$72,559 Dr Brian D'Arcy \$60,504 Michael Edbauer, M D \$57,000 Charles Urlaub \$40,866 James Millard \$39,478 David Macholz \$23,586 Dr James Fitzpatrick \$16,990

Software ID:

Software Version:

EIN: 16-0762843

Name: Kenmore Mercy Hospital

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Joseph McDonald	(i)	0	0	0	0	0	0	0
	(ii)	582,249	214,448	291,999	19,255	15,336	1,123,287	0
Mark Sullivan	(i)	0	0	0	0	0	0	0
	(ii)	334,900	86,846	32,957	9,990	13,404	478,097	0
James Millard	(i)	205,604	39,478	38,703	98,184	9,768	391,737	0
	(ii)	0	0	0	0	0	0	0
David Macholz	(i)	0	0	0	0	0	0	0
	(ii)	164,219	23,586	25,221	7,091	17,794	237,911	0
Peter Bergmann	(i)	0	0	0	0	0	0	0
	(ii)	335,855	167,393	37,450	6,055	16,641	563,394	0
Michael Edbauer	(i)	0	0	0	0	0	0	0
	(ii)	189,092	42,750	31,384	8,397	19,675	291,298	0
Christine Kluckhohn	(i)	0	0	0	0	0	0	0
	(ii)	202,356	47,107	32,931	63,114	16,886	362,394	0
Charles J Urlaub	(i)	0	0	0	0	0	0	0
	(ii)	277,509	40,866	72,091	13,640	14,771	418,877	0
James A Dunlop Jr	(i)	0	0	0	0	0	0	0
	(ii)	303,923	81,292	32,955	53,504	15,862	487,536	0
Dr Brian D'Arcy	(i)	0	0	0	0	0	0	0
	(ii)	244,715	276,792	71,788	20,231	16,261	629,787	0
Walter Ludwig	(i)	142,273	0	30,893	704	15,230	189,100	0
	(ii)	0	0	0	0	0	0	0
Michael Moley	(i)	0	0	0	0	0	0	0
	(ii)	249,731	58,450	78,613	18,611	14,021	419,426	0
John Stavros	(i)	0	0	0	0	0	0	0
	(ii)	158,915	39,533	39,363	17,862	18,668	274,341	0
Maria Foti	(i)	0	0	0	0	0	0	0
	(ii)	155,554	31,835	33,011	12,667	6,323	239,390	0
Bartholomew Rodrigues	(i)	0	0	0	0	0	0	0
	(ii)	136,513	34,256	38,492	10,610	15,900	235,771	0
Dr Michael Galang	(i)	0	0	0	0	0	0	0
	(ii)	256,674	35,327	30,846	14,054	4,927	341,828	0
Dr James Fitzpatrick	(i)	152,734	16,990	583	12,644	14,972	197,923	0
	(ii)	0	0	0	0	0	0	0
Dr Semira Khawar	(i)	139,272	10,000	116	0	15,143	164,531	0
	(ii)	0	0	0	0	0	0	0
Dr Avtar Samra	(i)	129,561	0	10,828	12,369	15,276	168,034	0
	(ii)	0	0	0	0	0	0	0
Dr Ayesha Butt	(i)	135,917	0	97	451	15,881	152,346	0
	(ii)	0	0	0	0	0	0	0
K David Crone	(i)	0	0	0	0	0	0	0
	(ii)	243,906	0	45,829	29,157	10,451	329,343	0
John Davanzo	(i)	0	0	0	0	0	0	0
	(ii)	155,588	58,579	77,148	36,050	11,804	339,169	0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Kenmore Mercy Hospital

Employer identification number  
16-0762843

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Dormitory Authority of the State of New York	14-6000293	64983Q5T2	11-29-2006	16,730,000	Part V		X		X		X

Part II Proceeds									
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	16,730,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	657,688							
8	Credit enhancement from proceeds	99,008							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	15,973,304							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	1998							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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



Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government <div></div>								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government <div></div>								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	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?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b	Name of provider	JP Morgan Chase NA							
c	Term of hedge	15 500000000000							
d	Was the hedge superintegrated?	X							
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

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

2010

Open to Public Inspection

Name of the organization  
Kenmore Mercy Hospital

Employer identification number  
16-0762843

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

**Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V

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

Identifier	Return Reference	Explanation
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## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 16-0762843  
**Name:** Kenmore Mercy Hospital

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Susan Urlaub	Wife of Mercy CEO , C J Urlaub	74,933	Corporate Nurse Educator		No
Kathryn B Millard	Daughter of BOD, CEO Kenmore Mercy, James Millard	14,519	Registered Nurse, Mercy		No
James Manzella	Acute Care Board Member	165,088	Key Employee of Manzella Marketing		No
David Zapfel	Brother of BOD, Msgr Robert Zapfel	60,600	HR Employee of CHS		No
Kathleen Moley	Daughter of Key Employee, Michael Moley	37,518	HR Employee, CHS		No
Kathleen Zapfel	Sister-in-Law of BOD, Msgr Robert Zapfel	53,088	HR Employee, St Francis		No
Susan Gallagher-Stavros	Wife of Key Employee, John Stavros	35,158	Community Health Nurse, McAuley Seton Home Care		No
Marie Packard	Daughter of BOD, Dennis Dombek	42,975	Physical Therapist		No

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization Kenmore Mercy Hospital	Employer identification number 16-0762843
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Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		CHS has three members Ascension Health, Catholic Health East, and the Diocese of Buffalo, NY Each member is able to participate equally in electing the governing body, approving significant decisions of the governing body, and in receiving a share of net assets upon dissolution, according to the CHS Bylaw s

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		According to the CHS Bylaw s, each member is equally allow ed to appoint up tp three individuals to act as its representatives on the Corporate Member Board, and in undertaking any action in its capacity as a Member The Corporate Member Board oversees the governance of the Catholic Health System

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Each member is entitled to one vote on each matter properly submitted at any membership meeting, and the members also have reserve powers which allow approval for certain business events and ratification of certain business transactions

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Yes, an electronic copy of the Form 990 was provided to the CHS Boards of Directors before it was filed. The CHS Board of Directors has delegated the responsibility to review the 990 to the Audit Committee. The CHS Audit Committee reviewed in detail selected information for all CHS entities. Reviewed with the Audit Committee. 1 Core Form Part IV Checklist of required schedules 2 Core Form Part VI Governance, Management and Disclosure 3 Core Form Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors 4 Schedule H Hospitals 5 Schedule K Supplemental information on Tax Exempt Bonds 6 Schedule J Compensation Information 7 Schedule L Transactions with Interested Persons 8 Schedule R Related Organizations and Unrelated Partnerships 9 Process for which remaining Core Form was completed, utilizing audited financial information.



Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	All associates on the Merit program, all Physicians and Non Physician Practitioners as well as Physician groups who are independent contractors or employees of CHS, and all board members must complete a Conflict of Interest Disclosure Statement (COIDS) in order to fulfill the annual requirements. COIDS are distributed to all parties, as per applicable policy, and once complete are followed up with as follows: 1. Associate and Physician completed COIDS are reviewed and signed off by the manager. If a disclosure is noted, it is discussed with the manager, and the document is forwarded to the Compliance Officer who reviews and follows up as appropriate. Once review/follow up is completed the Compliance Officer will sign the COIDS, maintain a copy in the compliance office and return the original to HR for filing in the Personnel file. 2. All board member COIDS are returned to Compliance Officer for review and follow up as warranted. The Compliance Officer will sign each COIDS and retain on file in the compliance office in a confidential manner.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	In 2010, the Catholic Health System utilized a Compensation Committee of the Board of Directors to monitor the Executive Compensation as per the Executive Compensation Philosophy and Strategy for the CHS CEO, COO, CFO, CEOs for each Ministry, and all Senior Vice Presidents. The Compensation Committee provides oversight to management decisions which are based on outlines approved by the committee, and performs a review of data. The outcome of these meetings is documented.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	We make our form 990 open for public inspection upon request. Our website includes an annual report which includes selected financial information. Our financial statements, governing documents and conflict of interest policy are provided upon request according to applicable federal and state laws.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Change in unrestricted interest in KMH Foundation, Inc \$479,565 Change in Pension Obligation \$(1,871,236) Distribution from parent \$1,405,384 Change in unrealized loss on interest rate sw ap \$(190,008) Change in temporarily restricted interest in KMH Foundation,Inc \$78,265

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Kenmore Mercy Hospital

Employer identification number  
16-0762843

Part I

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

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

Part II

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

2

If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]



**Part VII**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 16-0762843

Name: Kenmore Mercy Hospital

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
Catholic Health System Inc  515 Abbott Rd Buffalo, NY14220 22-2565278	Healthcare Delivery System	NY	501c	Schedule A line 1			No
Mercy Hospital Of Buffalo  565 Abbott Rd Buffalo, NY14220 16-0756336	Acute Care Hospital	NY	501c	Schedule A Line 3	Catholic Health System Inc		No
Sisters Of Charity Hospital  2157 Main Street Buffalo, NY14214 16-0743187	Acute Care Hospital	NY	501c	Schedule A Line 3	Catholic Health System Inc		No
Nazareth Home of the Franciscan Sisters  291 North Street Buffalo, NY14201 16-0813142	Skilled Nursing Facility	NY	501C	Schedule A line 1	Catholic Health System Inc		No
ST Clare Manor  543 Locust Street Lockport, NY14094 16-0782647	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Elizabeth Home for Aged  5539 Broadway Lancaster, NY14086 16-0743154	Adult Home	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Francis Home of Williamsville  147 Reist Street Williamsville, NY14221 16-0743153	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Francis of Buffalo Inc  34 Benwood Ave Buffalo, NY14214 16-1523535	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Joseph Manor  2211 West State Street Olean, NY14760 16-0796400	Skilled Nursing Facility	NY	501c	Schedule A line 9	Catholic Health System Inc		No
St Luke Manor for the Chronically Ill  17 Wiard Street Batavia, NY14020 16-0794811	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Mary's Manor  515 6th Street Niagara Falls, NY14301 16-0924139	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
St Vincent Manor  319 Washington Ave Dunkirk, NY14048 16-0743167	Adult Home	NY	501c	Schedule A line 1	Catholic Health System Inc		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
WNY Catholic Long Term Care Inc  6400 Powers Rd Orchard Park, NY14127 16-1434368	Skilled Nursing Facility	NY	501c	Schedule A line 1	Catholic Health System Inc		No
Niagara Homemakers Services(Mercy Homecare)  2875 Union Rd Suite 14 Cheektowaga, NY14227 16-1317960	Home Care Provider	NY	501c	Schedule A line 1	Catholic Health System Inc		No
McAuley Seton Home Care  2875 Union Rd Suite 14 Cheektowaga, NY14227 16-1310062	Home Care Provider	NY	501c	Schedule A line 1	Catholic Health System Inc		No
Catholic Health System Infusion Pharmacy Inc  2875 Union Rd Suite 14 Cheektowaga, NY14227 20-0198518	Home Care Infusion Services	NY	501c	Schedule A line 1	Catholic Health System Inc		No
CHS Program of All-Inclusive Care for the Elderly Inc  55 Melroy Ave Lackawanna, NY14218 26-1252884	All-inclusive Care for the Elderly	NY	501c	Schedule A line 3	Catholic Health System Inc		No