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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No. 1545-0047

2009**Open to Public Inspection****A** For the 2009 calendar year, or tax year beginning **07/01/09**, and ending **06/30/10**

- B** Check if applicable:
- ☐ Address change
 - ☐ Name change
 - ☐ Initial return
 - ☐ Termination
 - ☐ Amended return
 - ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**Spectrum Health System**

Doing Business As

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

100 Michigan Ave NE

Room/suite

City or town, state or country, and ZIP + 4

Grand Rapids MI 49503**F** Name and address of principal officer:**D** Employer identification number**38-3382353****E** Telephone number**616-774-7322****G** Gross receipts \$ **70,925,761****H(a)** Is this a group return foraffiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☒ No

If "No," attach a list (see instructions)

N/A**I** Tax-exempt status: ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **www.spectrum-health.org****H(c)** Group exemption number ▶ **N/A****K** Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation **1997****M** State of legal domicile **MI****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
1	Briefly describe the organization's mission or most significant activities: To improve the health of the communities we serve by providing administrative and supporting services to the healthcare system affiliated entities.						
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.						
3	Number of voting members of the governing body (Part VI, line 1a)	3	13				
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9				
5	Total number of employees (Part V, line 2a)	5	341				
6	Total number of volunteers (estimate if necessary)	6					
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a					
7b	Net unrelated business taxable income from Form 990-E, line 34	7b	0				
8	Contributions and grants (Part VII, line 1b)	Prior Year		Current Year			
9	Program service revenue (Part VII, line 2g)	11,458,558		67,327,945			
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	27,496		-190,031			
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,279,849		3,521,951			
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,765,903		70,659,865			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)						
14	Benefits paid to or for members (Part IX, column (A), line 4)						
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	10,066,032		35,199,632			
16a	Professional fundraising fees (Part IX, column (A), line 11e)						
b	Total fundraising expenses (Part IX, column (D), line 25) ▶						
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	9,538,758		49,582,055			
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	19,604,790		84,781,687			
19	Revenue less expenses. Subtract line 18 from line 12	-3,838,887		-14,121,822			
20	Total assets (Part X, line 16)	Beginning of Current Year		End of Year			
21	Total liabilities (Part X, line 26)	685,908,927		841,726,685			
22	Net assets or fund balances. Subtract line 21 from line 20	796,618,010		898,816,518			
		-110,709,083		-57,089,833			

Part II Signature Block

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

Sign Here

Signature of officer: **Michael P. Freed** Date: **11/18/2010**
Executive Vice President & CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: **Andrews Hooper Pavlik PLC** Date: **11/12/10** Check if self-employed ☐ Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: **3333 Deposit Dr NE Suite 310 Grand Rapids, MI 49546**

EIN ▶ **(616)942-6440**

Phone no ▶ **(616)942-6440**

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2009)

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Part III Statement of Program Service Accomplishments**1** Briefly describe the organization's mission.**To improve the health of the communities we serve.****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 \$ **84,087,693** including grants of \$) (Revenue \$ **70,591,898**)
Common management and centralized control over the health system activities carried on by supported organizations.**4b** (Code) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services. (Describe in Schedule O)

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

4e Total program service expenses **84,087,693**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	X	
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	N/A	
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? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
<ul style="list-style-type: none"> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII Did the organization report an amount for other assets related in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 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? If "Yes," complete Schedule D, Part X. 		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		X
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1a	0		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1b	0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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	341 See Sch O		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
3b	N/A		
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)?	X	
4a	If "Yes," enter the name of the foreign country Cayman Islands See the instructions for exceptions and 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?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
5c	N/A		
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?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
6b	N/A		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7b	N/A		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7d	N/A		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7g	N/A		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
7h	N/A		
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	N/A		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9a	N/A		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
9b	N/A		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10a	N/A		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
10b	N/A		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders		
11a	N/A		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
11b	N/A		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12a	N/A		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
12b	N/A		

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body	1a	13
b	Enter the number of voting members that are independent	1b	9
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?	See Sch O	2
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
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5
6	Does the organization have members or stockholders?	See Sch O	6
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	See Sch O	7a
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	See Sch O	7b
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?		8a
b	Each committee with authority to act on behalf of the governing body?		8b
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

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
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?	N/A	10b
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	See Sch O	11
11a	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
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		12b
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	See Sch O	12c
13	Does the organization have a written whistleblower policy?		13
14	Does the organization have a written document retention and destruction policy?		14
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	See Sch O	15a
b	Other officers or key employees of the organization	See Sch O	15b
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
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 **None**

18 Section 6104 requires an organization to make its Forms 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.
☐ Own website ☒ Another's website ☒ 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 Sch O**

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **Mr. Ronald J. Knaus**
1840 Wealthy St. SE; MC 498
Grand Rapids MI 49506 616-774-7771

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

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

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

See Sch J, Part III and Sch O

(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			
Richard Breon President	50.00	X		X				2,249,338	0	464,041
Richard Devos, Sr. Director	2.00	X						0	0	0
Richard Devos, Jr. Director	2.00	X						0	0	0
Dan Gaydou Treasurer	4.00	X		X				0	0	0
Brian Harris Director	2.00	X						0	0	0
Earl Holton Vice Chair	4.00	X		X				0	0	0
Robert Hooker Director	2.00	X						0	0	0
Birgit Klohs Director	2.00	X						0	0	0
Mark Murray Director	2.00	X						0	0	0
Elizabeth Nickels Director	2.00	X						0	0	0
Timothy O'Donovan Chair	4.00	X		X				0	0	0
Stephen Rechner, Md Director	2.00	X						0	0	0
Robert Van Tuinen, Md Director	2.00	X						0	0	0
Michael Freed Exec. Vice President	50.00			X				852,061	0	201,994
David Leonard Secretary	50.00			X				583,792	0	137,944
Patrick Ohare Sr. Vice President,	50.00				X			597,467	0	136,770
Ronald Knaus Corporate Controller	50.00				X			415,058	0	113,223

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

(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			
Lowell Bursch Sr. Vice President,	50.00					X		1,541,542	0	116,136
John Mosley Sr. Vice President,	50.00					X		743,371	0	138,713
John Byrnes Sr. Vice President,	50.00					X		711,976	0	160,623
Daniel Oglesby Sr. Vice President,	50.00					X		601,075	0	129,039
Nancy Tait VP, Corp Communicati	50.00					X		457,990	0	91,839
Kenneth Fawcett Jr Former BOD							X	0	628,109	38,810
1b Total								8,753,670	628,109	1,729,132

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 **▶ 47**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3	X	
4	X	
5		X

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
Impact Advisors Naperville IL 60540	821 Thornapple Drive Consulting	558,422
Hall Render Killian Health & Lyman Troy MI 48084	201 West Big Beaver Rd Legal	523,884
B & D Consulting, LLC Indianapolis IN 46266	P O Box 664091 Government	175,361
Warner Norcorss & Judd LLP Grand Rapids MI 49503	900 Fifth Third Center Legal	164,796
Dearborn Advisors, LLC Indianapolis IN 46266	P.O. Box 664091 Audit	157,000

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 9**

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					
	g Noncash contributions included in lines 1a-1f	\$					
	h Total. Add lines 1a-1f						
Program Service Revenue	2a Management fee revenue	Busn. Code	561000	64,820,135	64,820,135		
	b Shared services revenue		561000	2,507,810	2,507,810		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			67,327,945			
	3 Investment income (including dividends, interest, and other similar amounts)			22,365			22,365
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
Other Revenue	6a Gross Rents	(i) Real	(ii) Personal				
	b Less rental exps						
	c Rental inc or (loss)						
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less cost or other basis & sales exps				53,500		
	c Gain or (loss)				265,896		
	d Net gain or (loss)				-212,396	-212,396	
	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			Busn. Code			
11a Professional Insurance Adj		561000	3,476,349	3,476,349			
b Miscellaneous Income		900099	45,602			45,602	
c							
d All other revenue							
e Total. Add lines 11a-11d			3,521,951				
12 Total Revenue. See instructions.			70,659,865	70,591,898	0	67,967	

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	4,697,716	4,697,716		
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	22,728,201	22,728,201		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	7,773,715	7,773,715		
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal	693,994		693,994	
c Accounting				
d Lobbying	260,750	260,750		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	5,531,384	5,531,384		
12 Advertising and promotion	280,742	280,742		
13 Office expenses	4,675,149	4,675,149		
14 Information technology	10,137,040	10,137,040		
15 Royalties				
16 Occupancy	2,305,574	2,305,574		
17 Travel	662,037	662,037		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	8,805	8,805		
20 Interest	40,800	40,800		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	8,193,533	8,193,533		
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Adj to investment in subs	15,199,203	15,199,203		
b Miscellaneous	1,593,044	1,593,044		
c				
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	84,781,687	84,087,693	693,994	
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. 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) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing		1	
	2 Savings and temporary cash investments	7,226,457	2	7,870,520
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	295,399
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	48,339,572	7	44,539,572
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	2,124,056	9	4,658,547
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 51,661,868		
	b Less. accumulated depreciation	10b 27,154,140	10c	24,507,728
	11 Investments—publicly traded securities	557,082,930	11	633,271,884
	12 Investments—other securities See Part IV, line 11	59,349,043	12	66,777,787
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	11,786,869	15	59,805,248
16 Total assets. Add lines 1 through 15 (must equal line 34)	685,908,927	16	841,726,685	
Liabilities	17 Accounts payable and accrued expenses	8,989,389	17	20,282,973
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	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		23	
	24 Unsecured notes and loans payable to unrelated third parties	14,500,000	24	48,500,000
	25 Other liabilities. Complete Part X of Schedule D	773,128,621	25	830,033,545
	26 Total liabilities. Add lines 17 through 25	796,618,010	26	898,816,518
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	-110,709,083	27	-57,089,833
	28 Temporarily restricted net assets		28	
	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	-110,709,083	33	-57,089,833
	34 Total liabilities and net assets/fund balances	685,908,927	34	841,726,685

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

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 consolidated basis, separate basis, or both:

☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate 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?

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

N/A

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)**Public Charity Status and Public Support**

OMB No 1545-0047

2009Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

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

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

Name of the organization

Spectrum Health System

Employer identification number

38-3382353**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 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)		<input checked="" type="checkbox"/>
11g(ii)		<input checked="" type="checkbox"/>
11g(iii)		<input checked="" type="checkbox"/>

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Spectrum Health Hospitals	38-1360529	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		10,981,112
Spectrum Health Foundation	38-2752328	7	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		12,000
Spectrum Health Continuing Care	38-3242232	11b	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		630,000
Spectrum Health United	38-1358412	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		420,000
Reed City Hospital Corporation	38-2770076	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		262,500
Total									12,805,612

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

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.) N/A

Section A. Public Support

Calendar year (or fiscal year beginning in)▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test—2009. 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 ▶ <input type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. 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 ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. 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 ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

N/A

Section A. Public Support

Calendar year (or fiscal year beginning in)▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b **33 1/3 % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

Part IV Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

Part I, Line 11h - List of Supported Organizations Continued

Name and EIN	Type	In Gov Doc	Org Notified	Org in U.S.	Amount
Newaygo County General Hospital Association					
38-1359517	3		X	X	\$ 0
Spectrum Health Primary Care Partners					
38-1358164	3		X	X	\$ 500,000

Supplemental Information

Spectrum Health System is the parent organization and supporting organization to the health system. The purposes of this organization, as defined in the Articles of Incorporation, are as follows:

Purposes

2.1. The purposes for which the corporation is organized are to operate for the benefit of, to perform the functions of and to carry out all of the purposes of Spectrum Health Hospitals; Spectrum Health Foundation, Spectrum Health Continuing Care, Spectrum Health United, Reed City Hospital Corporation, and such other organizations (the "Supported Organizations") which are, from time to time, controlled by the corporation and described in Section 501(c)(3) and either Section 509(a)(1) or Section 509(a)(2) of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation (the "Code"), and, in furtherance of such purposes:

2.1.1. To formulate and implement policies and programs designed to enable and/or cause the Supported Organizations to function as a coordinated health care delivery system (the "System"), to provide direction and

Part IV Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

management to that System, and to act and/or make decisions for the benefit of such System.

2.1.2. To establish and maintain, either directly, through subsidiary organizations or in cooperation with other organizations, such facilities and services for the care of persons suffering from illness, injury or disability, the elderly and the indigent and for the preservation of health as the Board of Directors may determine, including, without limitation:

2.1.2.1. Hospitals for the inpatient or outpatient care of persons suffering from illness, injury and disability, for the prevention of illness, injury and disability and for the maintenance of health.

2.1.2.2. Facilities providing ambulatory care, nursing care, rehabilitation and other services.

2.1.2.3. Other activities and programs designed and carried on to promote the general health of the community.

2.1.3. To promote and carry on such scientific research as the Board of Directors may determine with respect to the cause, treatment and prevention of illness and injury, the improvement of public health and other matters.

2.1.4. To participate in and to carry on such activities as the Board of Directors may determine for the education of physicians, nurses, other professional and paraprofessional personnel and the public about rendering care to the sick, injured and disabled, about prevention of illness and

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

injury and about the promotion of health.

2.1.5. To conduct activities, either directly, through related or subsidiary organizations or in cooperation with organizations exempt from tax under Section 501(c)(3) of the Code or comparable provisions of subsequent legislation in order to raise funds to further the purposes of the corporation, subject, however, to all limitations on the nature or extent of such activities applicable, from time to time, to organizations described in Sections 501(c)(3) and 509(a)(3) of the Code.

2.1.6. To acquire, to own, to dispose of and to deal with real and personal property and interests therein and to apply gifts, grants, bequests and devises and the proceeds thereof in furtherance of the purposes of the corporation.

2.1.7. To deal with and distribute the corporation's income and assets in such manner as in the judgment of the Board of Directors will best promote its objectives and purposes, without limitation except such, if any, as may be contained in instruments under which such property is conveyed to the corporation.

2.1.8. To do such things and to perform such acts to accomplish its purposes as are permitted by Sections 501(c)(3) and 509(a)(3) of the Code, with all the powers conferred on nonprofit corporations by the laws of the State of Michigan.

The amounts reported in Schedule A, Part I, Line 11h, column (vii) relates

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

to expenses incurred by the organization on behalf of the supported entities (reimbursed in whole or in part through management fees).

SCHEDULE C
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Political Campaign and Lobbying Activities**

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

▶ Complete if the organization is described below.

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

OMB No. 1545-0047

2009**Open to Public
Inspection****If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then**

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

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

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

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

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

Name of organization

Spectrum Health System

Employer identification number

38-3382353**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.** N/A

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

N/A

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV.

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

N/A

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

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

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**A** Check ☐ if the filing organization belongs to an affiliated group.**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

N/A

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount. Enter the amount from the following table in both columns															
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a. If zero or less, enter -0-															
i Subtract line 1f from line 1c. If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?															

☐ Yes ☐ No**4-Year Averaging Period Under Section 501(h)**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?	X		
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?	X		9,348
f Grants to other organizations for lobbying purposes?	X		202,996
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		48,406
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i Other activities? If "Yes," describe in Part IV		X	
j Total. Add lines 1c through 1i			260,750
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			N/A

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

N/A

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

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

N/A

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5, and Part II-B, line 1i.

Also, complete this part for any additional information.

Schedule C, Part II-B, Line 1i

Spectrum Health System employed as paid management a General Counsel and director of government affairs, who are chiefly responsible for Government Affairs activities. Other executive staff were engaged on a very limited basis for lobbying purposes. Spectrum Health System retained federal and state level multi-client lobby firms. The function of their respective

Part IV **Supplemental Information** (continued)

duties involved direct contact with legislators, their staff, government officials, or a legislative body on numerous legislative and regulatory issues of interest to the Taxpayer.

Direct contact with qualifying individuals, included sending letters, publications, making phone calls or meeting with government officials, their staff or legislators.

**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

2009**Open to Public
Inspection**

Name of the organization

Employer identification number

Spectrum Health System**38-3382353****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.

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

(a) Donor advised funds

(b) Funds and other accounts

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?

☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

☐ Yes ☐ No**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

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

☐ Preservation of land for public use (e.g., recreation or pleasure)☐ Protection of natural habitat☐ Preservation of open space☐ Preservation of an historically important land area☐ Preservation of certified historic structure

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

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06

Held at the End of the Tax Year**2a****2b****2c****2d**

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 section 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

▶ \$
▶ \$

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

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

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other _____

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

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if 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 Net investment earnings, gains, and 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

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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				
b Buildings		3,928,411	1,343,760	2,584,651
c Leasehold improvements		3,993,239	326,737	3,666,502
d Equipment		43,740,218	25,483,643	18,256,575
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c))				24,507,728

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other <u>Investment in affiliates</u>	<u>53,605,952</u>	<u>Cost</u>
<u>MI Professional Insurance Exchange</u>	<u>12,238,990</u>	<u>Cost</u>
<u>Investment - MVP Fitness</u>	<u>932,845</u>	<u>Cost</u>
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)	66,777,787	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.[illegible]**Part IX** **Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
Restricted assets	43,284,570
457 Plan	9,107,019
Other due from affiliates	5,261,127
Prepaid srvc cntrcts-other LT assets	2,152,532
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	59,805,248

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

1.	(a) Description of liability	(b) Amount
	Federal income taxes	
	Due to affiliates	722,614,670
	Swap Market Value	75,583,612
	Insurance	22,235,960
	Other liabilities	9,599,303
	Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	830,033,545

2. FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
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	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

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

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

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

Part XIV Supplemental Information (continued)

This image shows a full page of a document template designed for handwritten notes or essays. It features a series of evenly spaced, horizontal grey lines that run across the width of the page. The lines are thin and light in color, providing a guide for writing without being distracting. There is no text, handwriting, or other markings on the page.

SCHEDULE J
(Form 990)Department of the Treasury
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009Open To Public
Inspection

Name of the organization

Spectrum Health System

Employer identification number

38-3382353**Part I** Questions Regarding Compensation**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

- | | |
|--|---|
| <input checked="" type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain**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?**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

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization.

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations 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?
- b** Any related organization?

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?
- b** Any related organization?

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**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**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

	Yes	No
1b	<input checked="" type="checkbox"/>	
2	<input checked="" type="checkbox"/>	
4a	<input checked="" type="checkbox"/>	
4b	<input checked="" type="checkbox"/>	
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7		<input checked="" type="checkbox"/>
8		<input checked="" type="checkbox"/>
N/A		
9		

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)-(D)	(F) Compensation reported in prior Form 980 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Richard Breon	(f) 946,511	1,276,492	26,335	295,997	168,044	2,713,379	970,982
	(ff) 0	0	0	0	0	0	0
Michael Freed	(f) 495,770	335,481	20,810	133,988	68,006	1,054,055	202,371
	(ff) 0	0	0	0	0	0	0
David Leonard	(f) 333,248	235,343	15,201	76,813	61,131	721,736	144,289
	(ff) 0	0	0	0	0	0	0
Patrick Ohare	(f) 327,536	256,514	13,417	82,699	54,071	734,237	166,688
	(ff) 0	0	0	0	0	0	0
Ronald Knaus	(f) 252,231	158,758	4,069	62,564	50,659	528,281	106,720
(ff) 0	0	0	0	0	0	0	0
Lowell Bursch	(f) 354,793	990,967	195,782	59,453	56,683	1,657,678	409,967
(ff) 0	0	0	0	0	0	0	0
John Mosley	(f) 342,300	385,443	15,628	85,366	53,347	882,084	292,260
(ff) 0	0	0	0	0	0	0	0
John Byrnes	(f) 361,527	335,837	14,612	94,516	66,107	872,599	236,697
(ff) 0	0	0	0	0	0	0	0
Daniel Oglesby	(f) 298,637	290,375	12,063	75,654	53,385	730,114	209,240
(ff) 0	0	0	0	0	0	0	0
Nancy Tait	(f) 197,068	252,883	8,039	50,727	41,112	549,829	213,908
(ff) 0	0	0	0	0	0	0	0
Kenneth Fawcett Jr	(f) 0	0	0	0	0	0	0
(ff) 434,395	0	0	193,714	17,150	21,660	666,919	0
(f)							
(ff)							
(f)							
(ff)							
(f)							
(ff)							
(f)							
(ff)							
(f)							
(ff)							

Schedule J (Form 990) 2009

38-3382353

Spectrum Health System

Page 3

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.

Part I, Line 4 - Severance, Nonqualified, and Equity-Based Payments**Severance Nonqualified Equity-based**

Lowell Bursch	193,624	0	0
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Part III - Other Additional Information**SCHEDULE J, PART II, COLUMN B(iii)**

Grandfathered split-dollar arrangements were discontinued and an election to liquidate accounts was offered to participants. Where applicable, the one-time liquidated value of these plans are included as "reportable compensation" in the core Form 990, Part VII and "other reportable compensation" in Schedule J of this tax return.

SCHEDULE J, PART I, LINE 4b

This question is answered "yes" because certain individuals, whose salary and benefits are paid by the reporting organization or a related organization, do "participate in" a supplemental nonqualified retirement plan. However, none of these participants "received payment from" these plans during the tax year.

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.

SCHEDULE J, PART II, COLUMNS D AND F

Spectrum Health System had a long-term incentive bonus plan in place for certain key executive with a measurement date of June 30, 2009 which assessed performance targets established for the combination of 2007, 2008 and 2009 fiscal years. If applicable, the amount of this long-term incentive compensation payment is reported in Form 990, Part VII and Schedule J, Part II, Column D and F.

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SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service

Name of the organization

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

OMB No 1545-0047

2009Open to Public
Inspection**Spectrum Health System**Employer identification number
38-3382353**Form 990, Part III, Line 2**

On January 1, 2010, Taxpayer assumed responsibility and oversight for two large departments (Technology Information Solutions and the Professional Billing Offices). Prior to this date, these departments were operated by Spectrum Health Hospitals (EIN 38-1360529), a tax-exempt and supported organization of the Taxpayer.

Form 990, Part V, Line 4b - Financial Accounts in Foreign Countries
Cayman Islands

Form 990, Part VI, Line 2 - Related Party Information Among Officers

Richard DeVos, Sr

Richard DeVos, Jr.

Director

Director

Family member serving on BOD

Form 990, Part VI, Line 6 - Classes of Members or Stockholders

The Taxpayer is organized on a non-stock directorship basis with no members.

Form 990, Part VI, Line 7a - Election of Members and Their Rights

The sole member(s) (See Form 990, Part VI, Line 6) of the taxpayer appoints all members of the Board of Directors.

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members

The taxpayer is organized on a non-stock directorship basis with no

Name of the organization

Spectrum Health System

Employer identification number

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members.

Form 990, Part VI, Line 11A - Organization's Process to Review Form 990

A copy of the Form 990 is provided to the Board of Directors prior to filing. The review process for this Form 990 is as follows:

1. Preparation of the return is supervised and reviewed by the Organization's Corporate Tax Manager.
2. A second review is performed by an external CPA firm with expertise in tax-exempt return preparation.
3. The return is reviewed by the organization's finance and legal departments (including the Vice President of Finance or Chief Financial Officer) and shared with the members of the Board of Directors.
4. The organization's Vice President of Finance or Chief Financial Officer reviews comments or questions received by members of the Board of Directors, if any, to address or to incorporate, as appropriate, into the return prior to filing.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

BOARD OF DIRECTORS

1. Conflicts of interest must be disclosed, both via a disclosure form process as well as verbally at a board meeting prior to discussion of any agenda item with regard to which a board member has a conflict.

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2. A person having a financial interest in a proposed transaction or arrangement may make a presentation at a meeting of the Board of Directors or committee considering that transaction or arrangement, but after that presentation he or she shall leave the meeting during discussion and voting on that proposed transaction or arrangement. The person having the financial interest shall not be counted in determining whether a quorum is present.

3. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee (including outside advisors) to investigate alternatives to the proposed transaction or arrangement, and to advise whether the proposed transaction or arrangement is in Taxpayers's best interest.

4. The Board of Directors or committee shall exercise due diligence to determine whether Taxpayer can, with reasonable efforts, obtain a more advantageous transaction or arrangement that would not give rise to a conflict of interest.

5. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors and members whether the proposed transaction or arrangement is in Taxpayers's best interest and for its own benefit and whether the transaction is fair and reasonable to Taxpayer, and shall make its decision as to whether to enter into

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the transaction or arrangement in conformity with such determination.

6. The minutes of the meetings of the Board of Directors and all Spectrum Health committees shall set forth:

a) The names of the persons who disclosed a financial interest in a proposed transaction or arrangement involving Spectrum Health or any of its subsidiaries and the nature of the financial interest; and

b) The names of the persons who were present for discussions and votes relating to such transaction or arrangement, including any discussion of alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with that matter. The votes of individual members need not be recorded unless otherwise directed by the Board of Directors or committee

MANAGEMENT

1. Each member of the management team shall complete a Conflict of Interest Disclosure Form upon acceptance of an employment offer and at any point thereafter if a new potential conflict of interest has arisen. The conflict of interest disclosure form should be fully completed and signed. If the staff member discloses any potential conflict of interest, the form shall be submitted immediately to the System's Organizational Integrity Department. A copy of the completed form should be maintained in the staff member's personnel file.

2. Each member of the management team shall complete an electronic Conflict of Interest Disclosure Form on an annual basis. The conflict of interest

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disclosure form should be completed and electronically signed within the given timeframe. The System's Organizational Integrity Department will manage the annual process and will maintain electronic copies of the completed forms.

3. The System's Organizational Integrity Department shall review each form that is submitted. Additional information will be gathered as needed. Whether any items disclosed may be perceived as an actual or potential conflict of interest will be reviewed. In addition, steps that can be taken to reduce the risk of a conflict of interest will be identified.

4. If the System's Organizational Integrity Department believes that a disclosure has been made that comprises an actual or perceived conflict of interest, the System Conflict of Interest Committee or members thereof will be consulted as needed. The staff member's Supervisor and/or Human Resources Generalist may be consulted as well. Reasonable steps should be taken as needed to minimize the risk of a conflict of interest. A written memo summarizing these steps should be sent to the staff member's Supervisor and be maintained in the staff member's file.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

Spectrum Health System

Process for Establishing Executive Compensation

The Spectrum Health Board of Directors (Executive Committee) uses the following process for determining compensation of executives at all entities:

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*Labor market data reflecting comparable organizations and jobs (prepared by independent firms) are relied upon.

*Competitive assessment reports are provided in advance of Executive Committee meetings. The competitive assessment report is prepared by a nationally known independent executive compensation firm and, for FY 2010 (7/1/09-6/30/10), was based on the following independent surveys of health care executives at comparable health systems:

- * Sullivan, Cotter and Associates, Inc.: 2009 Survey of Manager and Executive Compensation in Hospitals and Health Systems
- * Integrated Healthcare Strategies: 2009 Healthcare Executive Compensation Survey
- * Mercer Human Resources Consulting: 2009 Integrated Health Networks Compensation Survey
- * Watson Wyatt Data Services: 2009/2010 Hospital and Healthcare Management Compensation Report

*These sources are consistent with those used in last year's analysis.

*Compensation adjustments are approved by independent Executive Committee members, consistent with the Spectrum Health compensation philosophy described below.

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*Minutes of Committee discussions and decisions are prepared to memorialize Executive Committee decisions based upon the above data.

Cash compensation data relied upon by the Executive Committee are national benchmarks and reflect the compensation paid to executives in comparable jobs in comparably-sized healthcare organizations. Spectrum Health recruits nationally for its executives. Benefit data reflects national healthcare market practices. Geographic pay differential and cost of living data indicate consistency with national data.

This process is intended to assist Spectrum Health in qualifying for the rebuttable presumption of reasonableness (Intermediate Sanctions Regulations) and the Spectrum Health Excess Benefit Transaction Policy for those individuals in the group who are disqualified persons*. The opinion submitted from the third party independent consulting firm is in accordance with the provisions of Treasury Regulations Section 53.4958-6(c)(2) and is also intended to satisfy the professional advice requirement of Treasury Regulations Section 53.4958-1(d)(4)(iii).

Form 990, Part VI, Line 15b - Compensation Process for Officers

See explanation provided for Form 990, Part VI, Line 15a.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

The organization's Articles of Incorporation have been provided to the State of Michigan and are available to the public on the State's website. The organization's Bylaws and internal policies are generally not made

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available to the public. The overall system consolidated financial statements are provided at www.spectrum-health.org in the section titled "About Us." Financial performance, is discussed at an annual public meeting and posted to www.spectrum-health.org annually (under the section titled "About Us").

Schedule O - Additional Information

FORM 990, PART I, LINE 5 AND FORM 990, PART V, LINE 2a

Taxpayer may have indirect employees. Compensation for these employees are paid by a related organization. An allocation of amounts paid for indirect employees is pursuant to a management services contract and is included on Lines 5-10 of Part IX.

PART VI, SECTION A, LINE 2 FAMILY AND BUSINESS RELATIONSHIPS AND
SCHEDULE L, PART IV - BUSINESS TRANSACTIONS WITH INTERESTED PERSONS

Mr. Richard Breon, CEO, has a daughter-in-law who is employed by the Taxpayer.

-

Mr. Richard DeVos, Sr. has a son that serves on the Board of Directors for the Taxpayer.

-

Mr. Richard Devos, Jr., a member of Taxpayer's Board of Directors, has a father that serves on the Board of Directors for this organization. Furthermore, Mr. Richard Devos, Jr. serves on the Board of Directors of Spectrum Health Foundation, a related tax-exempt entity, along with his sister-in-law.

Name of the organization

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-

Mr. David Leonard, a nonvoting officer of Taxpayer's Board of Directors, serves as the Secretary on the Board of Directors for a taxable subsidiary which has a business relationship with the Taxpayer. The entity was formed prior to 6/30/10 but didn't have any business transactions with the Taxpayer.

-

Mr. Mark Murray serves on the Board of Directors for a utility company that provides services to Taxpayer and affiliates. The amount reported on Schedule L represents amounts paid for utilities from the Taxpayer and related organizations.

-

Mr. Michael Freed, CFO, has a daughter who is employed by the Taxpayer.

-

Mr. Patrick O'Hare, a Key Employee of the Taxpayer, serves on the Board of Directors for a taxable subsidiary which has a business relationship with the Taxpayer.

-

Through our annual conflict of interest and tax reporting processes, certain individuals listed in Schedule L have reported that they, or companies they work for, have business or family relationships with the reporting organization that exceed thresholds provided in the instructions to the Form 990. If an amount is not listed in Schedule L, a statement is provided above explaining the nature of the transaction(s).

FORM 990, PART VII

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Consistent with prior years, the compensation reported for these individuals is not for services in their capacity as members of the Board of Directors but for services as employees of the organization or a related organization.

Consistent with prior years, compensation and benefits are reported using the most recent calendar year compensation data. The compensation figures reported in these sections is for the year ended December 31, 2009.

Individuals with compensation reported in Part VII work a combined average of 50 hours per week for the reporting organization and/or a related tax-exempt organization.

SCHEDULE A, PART I

The Taxpayer's Articles of Incorporation are currently being revised to include all of the organizations listed in line (h). These revisions will be submitted to the Board of Directors for approval prior to June 30, 2011.

SCHEDULE R - DIRECT CONTROLLING ENTITY

Michigan Association of Children's Hospitals is a newly formed inactive organization. This entity hasn't yet applied for a federal employer identification number.

The Form 990 limits column (f) to ten characters and therefore acronyms are used to define the controlling entity. These acronyms are defined as follows:

NA - Not Applicable

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MMPC - Michigan Medical Patient Care

PH - Priority Health

SHCC - Spectrum Health Continuing Care

SHH - Spectrum Health Hospitals

SHI - Spectrum Health Innovations, LLC

SHS - Spectrum Health System

SHU - Spectrum Health United

WMH - West Michigan Heart

**SCHEDULE R
(Form 990)****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

2009**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

Name of the organization

Spectrum Health SystemEmployer identification number
38-3382353**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to 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
PHMB Properties, LLC 1231 East Bellline NE Grand Rapids MI 49525 38-2715520	Prop. Mgmt	MI	5,062,443	30,585,751	PH
West Michigan CVCT, LLC 2900 Bradford Street NE Grand Rapids MI 49525 38-2125186	Dormant	MI			WMH
MMPK Real Estate, LLC 4100 Lake Dr SE Ste 300 Grand Rapids MI 49525 38-2851295	Dormant	MI			MMPK
Spectrum Health Innovations, LLC 100 Michigan Ave NE Grand Rapids MI 49503 27-2868213	IP Develop	MI			SHS

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Spectrum Health System 100 Michigan Ave NE Grand Rapids MI 49503 38-3382353	Management	MI	501c3	11c	N/A
Spectrum Health Hospitals 100 Michigan Ave NE Grand Rapids MI 49503 38-1360529	Healthcare	MI	501c3	3	SHS
Spectrum Health Primary Care Ptnrs 100 Michigan Ave NE Grand Rapids MI 49503 38-1358164	Healthcare	MI	501c3	3	SHS
West Michigan Regional Laboratory 1726 Knollcrest Circle SE Grand Rapids MI 49546 38-3414862	Teach/Rsch	MI	501c3	9	SHH
SH-SM Shared Technology Services 100 Michigan Ave NE Grand Rapids MI 49503 36-4528474	Med. Svcs	MI	501c3	9	SHH

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

DAA

Schedule R (Form 990) 2009

38-3382353

Spectrum Health System

Schedule R (Form 990) 2009

Page 2

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Helen DeVos Women's and Children's 1840 Wealthy St SE Grand Rapids MI 49506 38-3264184	Mgmt	MI	SHH	C	609,249	424,826	86.960000
Partnership for Children's Health 1840 Wealthy St SE Grand Rapids MI 49506 38-3364676	Mged Care	MI	SHH	C			100.000000
The Fred and Lena Meijer Heart Cent 100 Michigan St NE Grand Rapids MI 49503 83-0464302	Mgmt	MI	SHH	C	2,365,205	1,043,237	98.270000
HDVC - CHC 100 Michigan St NE Grand Rapids MI 49503 38-3417270	Med. Svcs	MI	SHH	C	388,481	9,443,961	100.000000

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest (ii) annuities (iii) royalties (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)**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
(1) Spectrum Health Hospitals	k	10,981,112
(2) Reed City Hospital Corporation	k	262,500
(3) Spectrum Health Continuing Care	k	630,000
(4) Spectrum Health United	k	420,000
(5) Spectrum Health Foundation	k	12,000
(6) Spectrum Health Primary Care Ptnrs	k	500,000

Schedule R (Form 990) 2009

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

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

[illegible]

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI. ▶ See instructions for Schedule R (Form 990).

Department of the Treasury
Internal Revenue Service

Name of filing organization

Employer identification number
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Spectrum Health System

Part I Continuation of Identification of Disregarded Entities

[illegible]

Part II Continuation of 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
<u>Spectrum Health Foundation</u> - - - - - <u>38-2752328</u> <u>100 Michigan Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Philanthro</u>	<u>MI</u>	<u>501c3</u>	<u>7</u>	<u>SHS</u>
<u>Spectrum Health Continuing Care</u> - - - - - <u>38-3242232</u> <u>750 Fuller Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Rehab/Care</u>	<u>MI</u>	<u>501c3</u>	<u>11b</u>	<u>SHS</u>
<u>SH Continuing Care Center</u> - - - - - <u>38-2415333</u> <u>750 Fuller Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Rehab/Nrs</u>	<u>MI</u>	<u>501c3</u>	<u>9</u>	<u>SHCC</u>
<u>SH Kent Community Campus</u> - - - - - <u>38-3472677</u> <u>750 Fuller Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Healthcare</u>	<u>MI</u>	<u>501c3</u>	<u>3</u>	<u>SHCC</u>
<u>Spectrum Health Worth Services</u> - - - - - <u>38-2786617</u> <u>750 Fuller Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Healthcare</u>	<u>MI</u>	<u>501c3</u>	<u>9</u>	<u>SHCC</u>
<u>Visiting Nurse Services of West MI</u> - - - - - <u>38-1359195</u> <u>750 Fuller Ave NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49503</u> - - - - -	<u>Healthcare</u>	<u>MI</u>	<u>501c3</u>	<u>9</u>	<u>SHCC</u>
<u>Priority Health</u> - - - - - <u>38-2715520</u> <u>1231 East Beltline NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49525</u> - - - - -	<u>HMO</u>	<u>MI</u>	<u>501c4</u>		<u>SHS</u>
<u>Trinity Health Plans</u> - - - - - <u>38-2663747</u> <u>1231 East Beltline NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49525</u> - - - - -	<u>HMO Mgmt</u>	<u>MI</u>	<u>501c4</u>		<u>PH</u>
<u>PH Government Programs, Inc.</u> - - - - - <u>32-0016523</u> <u>1231 East Beltline NE</u> - - - - - <u>Grand Rapids</u> <u>MI</u> <u>49525</u> - - - - -		<u>MI</u>	<u>501c3</u>	<u>9</u>	<u>PH</u>
<u>Spectrum Health United</u> - - - - - <u>38-1358412</u> <u>615 S Bower</u> - - - - - <u>Greenville</u> <u>MI</u> <u>48838</u> - - - - -	<u>Healthcare</u>	<u>MI</u>	<u>501c3</u>	<u>3</u>	<u>SHS</u>
<u>SH United Memorial Foundation</u> - - - - - <u>38-2990574</u> <u>615 S Bower</u> - - - - - <u>Greenville</u> <u>MI</u> <u>48838</u> - - - - -	<u>Philanthro</u>	<u>MI</u>	<u>501c3</u>	<u>11a</u>	<u>SHU</u>
<u>Ambulatory United</u> - - - - - <u>38-3170488</u> <u>407 S Nelson</u> - - - - - <u>Greenville</u> <u>MI</u> <u>48838</u> - - - - -	<u>Healthcare</u>	<u>MI</u>	<u>501c3</u>	<u>11a</u>	<u>SHU</u>
<u>United Lifestyles</u> - - - - - <u>38-3589727</u> <u>615 S Bower</u> - - - - - <u>Greenville</u> <u>MI</u> <u>48838</u> - - - - -	<u>Wellness</u>	<u>MI</u>	<u>501c3</u>	<u>3</u>	<u>SHU</u>

Part II Continuation of Identification of Related Tax-Exempt Organizations

[illegible]

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

[illegible]

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(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
<u>Campus Towne Center Condo Assc.</u> - - - <u>4868 Lake Michigan Drive</u> - - - <u>Allendale</u> - - - <u>MI</u> <u>49401</u> - - - <u>38-2910067</u>	<u>Mgmt</u>	<u>MI</u>	<u>SHH</u>	<u>C</u>	<u>19,081</u>	<u>20,334</u>	<u>75.000000</u>
<u>Priority Health Insurance Company</u> - - - <u>1231 East Beltline NE</u> - - - <u>Grand Rapids</u> - - - <u>MI</u> <u>49525</u> - - - <u>20-1529553</u>	<u>Insurance</u>	<u>MI</u>	<u>PH</u>	<u>C</u>	<u>130,757,283</u>	<u>41,936,138</u>	<u>100.000000</u>
<u>Priority Health Managed Benefits</u> - - - <u>1231 East Beltline NE</u> - - - <u>Grand Rapids</u> - - - <u>MI</u> <u>49525</u> - - - <u>38-3085182</u>	<u>Admin</u>	<u>MI</u>	<u>SHS</u>	<u>C</u>	<u>114,304,478</u>	<u>25,950,943</u>	<u>100.000000</u>
<u>Montcalm Primary Care Physicians</u> - - - <u>615 S Bower</u> - - - <u>Greenville</u> - - - <u>MI</u> <u>48838</u> - - - <u>20-2544762</u>	<u>Med. Svcs</u>	<u>MI</u>	<u>SHU</u>	<u>C</u>			<u>100.000000</u>
<u>Blodgett Assurance Company</u> - - - <u>100 Michigan Ave NE</u> - - - <u>Grand Rapids</u> - - - <u>MI</u> <u>49503</u> - - -	<u>Insurance</u>	<u>CJ</u>	<u>SHS</u>	<u>C</u>			<u>100.000000</u>
<u>Michigan Medical Patient Care</u> - - - <u>4100 Lake Dr SE Ste 300</u> - - - <u>Grand Rapids</u> - - - <u>MI</u> <u>49546</u> - - - <u>38-2851295</u>	<u>Medical</u>	<u>MI</u>	<u>SHS</u>	<u>C</u>	<u>160,318,069</u>	<u>59,260,928</u>	<u>100.000000</u>
<u>West Michigan Heart</u> - - - <u>2900 Bradford Street NE</u> - - - <u>Grand Rapids</u> - - - <u>MI</u> <u>49525</u> - - - <u>38-2125186</u>	<u>Physicians</u>	<u>MI</u>	<u>SHS</u>	<u>C</u>	<u>42,634,602</u>	<u>9,048,196</u>	<u>100.000000</u>
<u>mHealth Innovations, Inc.</u> - - - <u>425 North Main Street</u> - - - <u>Ann Arbor</u> - - - <u>MI</u> <u>48104</u> - - - <u>61-1613614</u>	<u>Prod Devl</u>	<u>MI</u>	<u>SHI</u>	<u>C</u>			<u>99.000000</u>
- - -							
- - -							
- - -							
- - -							

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(7)	Priority Health	k	101,977
(8)	Value Health Partners	k	33,848
(9)	Priority Health	d	1,992,376
(10)	Spectrum Health Hospitals	l	72,476,756
(11)	Spectrum Health Hospitals	j	339,691
(12)	Spectrum Health Hospitals	r	70,770,629
(13)	Spectrum Health Primary Care Ptnrs	k	1,773,272
(14)	Michigan Medical Patient Care	k	2,708,928
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

DAA

Schedule R-1 (Form 990) 2009

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

[illegible]

Forms 990 / 990-PF	Other Notes and Loans Receivable	2009
For calendar year 2009, or tax year beginning 07/01/09 , and ending 06/30/10		
Name Spectrum Health System		Employer Identification Number 38-3382353

Form 990, Part X, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) Reed City Hospital Corporation	Wholly owned tax-exempt subsidiary
(2) Spectrum Health Kelsey	Wholly owned tax-exempt subsidiary
(3) Priority Health	Wholly owned tax-exempt subsidiary
(4) Priority Health	Wholly owned tax-exempt subsidiary
(5) West Michigan Heart	Wholly owned subsidiary
(6) Michigan Professional Insurance Exch	Related membership organization
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 3,000,000	06/26/09	02/01/13	Mature/Renew 2013	1.400
(2) 1,500,000	06/26/09	02/01/13	Mature/Renew 2013	1.400
(3) 33,839,572	12/27/06		Interest annually	6.000
(4) 10,000,000	06/26/09	02/01/13	Mature/Renew 2013	1.400
(5) 2,500,000	01/07/10	02/01/13	Mature/Renew 2013	1.400
(6) 2,000,000	06/30/10		Interest annually	4.750
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) Unsecured	Operations
(2) Unsecured	Operations
(3) Unsecured	Surplus notes
(4) Unsecured	Operations
(5) Unsecured	Operations
(6) Unsecured	Surplus Note
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	3,000,000		
(2)	1,500,000		
(3)	33,839,572	30,039,572	
(4)	10,000,000	10,000,000	
(5)		2,500,000	
(6)		2,000,000	
(7)			
(8)			
(9)			
(10)			
Totals	48,339,572	44,539,572	

SHHPAR Spectrum Health System
38-3382353
FYE: 6/30/2010

11/12/2010 6:09 PM

Federal Statements

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>Acquired after 6/30/75</u>
Interest Income	\$ 22,365		14		
Total	<u>\$ 22,365</u>				

Federal Statements

Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)

Description	Total Expenses	Program Service	Management & General	Fund Raising
Professional fees	\$ 2,550,151	\$ 2,550,151		
Purchased services	2,941,954	2,941,954	\$	\$
Recruiting	39,279	39,279		
Total	\$ 5,531,384	\$ 5,531,384	\$ 0	\$ 0