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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

MERITER HEALTH SERVICES INC

Doing Business As

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

Room/suite

202 SOUTH PARK STREET

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

MADISON, WI 537151596

F Name and address of principal officer

JAMES WOODWARD

202 SOUTH PARK STREET

MADISON, WI 537151596

D Employer identification number

39-1412318

E Telephone number

(608) 417-5811

G Gross receipts \$ 31,915,456

I Tax-exempt status

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

J Website:

WWW.MERITER.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1982

M State of legal domicile

WI

Part I

Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities MERITER'S MISSION IS TO HEAL THIS DAY, TO TEACH FOR TOMORROW, TO EMBRACE EXCELLENCE ALWAYS, TO SERVE OUR COMMUNITIES FOR A LIFETIME OF QUALITY HEALTH CARE			
	2 Check this box ☐ 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	19	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14	
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	3	
	6 Total number of volunteers (estimate if necessary)	6	13	
Revenue	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
	8 Contributions and grants (Part VIII, line 1h) 9 Program service revenue (Part VIII, line 2g) 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	Prior Year	Current Year	
		2,321	15,000	
		773,894	788,885	
		849,091	3,053,779	
Expenses		499,798	2	
		2,125,104	3,857,666	
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	142,787	246,525		
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	839,112	824,406		
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0		
Net Assets or Fund Balances	b Total fundraising expenses (Part IX, column (D), line 25) ⁰			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	419,254	6,715,178	
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,401,153	7,786,109	
	19 Revenue less expenses Subtract line 18 from line 12	723,951	-3,928,443	
	20 Total assets (Part X, line 16) 21 Total liabilities (Part X, line 26) 22 Net assets or fund balances Subtract line 21 from line 20	Beginning of Current Year	End of Year	
		351,862,810	339,529,054	
		327,533	1,271,170	
		351,535,277	338,257,884	

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

2012-08-13

Date

LINDA HOFF CFO/TREASURER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

RACHEL BECKER

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00966076

Firm's name (or yours if self-employed), address, and ZIP + 4

DELOITTE TAX LLP

555 EAST WELLS STREET SUITE 1400

MILWAUKEE, WI 53202

EIN 86-1065772

Phone no (414) 271-3000

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

MERITER'S MISSION IS TO HEAL THIS DAY, TO TEACH FOR TOMORROW, TO EMBRACE EXCELLENCE ALWAYS, TO SERVE OUR COMMUNITIES FOR A LIFETIME OF QUALITY HEALTH CARE

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

If "Yes," describe these changes on Schedule O

MERITER HEALTH SERVICES, INC. IS AN INNOVATIVE, NOT-FOR-PROFIT COMPREHENSIVE HEALTH CARE ORGANIZATION WHOSE VISION IS TO PROVIDE THE BEST TOTAL HEALTHCARE EXPERIENCE TO EVERYONE WE SERVE. ONE OF THE LARGEST PRIVATE EMPLOYERS, MERITER IS THE ONLY MADISON, WISCONSIN HEALTH CARE PROVIDER GOVERNED BY A COMMUNITY BOARD OF LOCAL BUSINESS, MEDICAL AND CIVIC LEADERS. MERITER HEALTH SERVICES, INC. IS KNOWN FOR ITS WILLINGNESS TO COLLABORATE WITH OTHER HEALTH CARE PARTNERS TO ADDRESS THE HEALTH CARE NEEDS OF THE COMMUNITY. MERITER HEALTH SERVICES, INC. PROVIDES STRATEGIC SUPPORT TO MERITER HOSPITAL, INC., MERITER MEDICAL GROUP, INC., MERITER HOME HEALTH, AND MERITER LABORATORIES.

[illegible][illegible]

4e	Total program service expenses	\$ 547,381
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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.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V.		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I.		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV.		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV.		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I.		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.		

Part IV

Checklist of Required Schedules (continued)

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

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

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	14
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ☒ WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ☒ LINDA HOFF 202 SOUTH PARK STREET MADISON, WI 53715 (608) 417-5800

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

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

- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	874,578	2,738,222	305,517

2 Total number of individuals (including but not limited to those I
\$100,000 of reportable compensation from the organization. 9

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►0

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	15,000				
	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		15,000				
Program Service Revenue			Business Code					
	2a	MANAGEMENT FEES-HOSPIT	900099	785,692	785,692			
	b	MANAGEMENT FEES-FOUNDA	900099	3,193	3,193			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		788,885				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,130,990			1,130,990	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	(i) Securities		(ii) Other				
		29,980,579						
		28,057,790						
		1,922,789						
	d	Net gain or (loss)		1,922,789			1,922,789	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
	b	Less direct expenses		b				
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
	b	Less direct expenses		b				
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances		a				
	b	Less cost of goods sold		b				
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a	PURCH DISC/MISC REV/LO	900099	2				2	
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		2					
12	Total revenue. See Instructions			3,857,666	788,885	0	3,053,781	

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)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	246,525	246,525		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	446,144		446,144	
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	294,181	116,073	178,108	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	20,487	8,083	12,404	
9	Other employee benefits	29,646	11,697	17,949	
10	Payroll taxes	33,948	13,395	20,553	
11	Fees for services (non-employees)				
a	Management	85,885		85,885	
b	Legal	41,943		41,943	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses	8,377	1,762	6,615	
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel	33,426	16,713	16,713	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	11,258		11,258	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	12,654	6,327	6,327	
23	Insurance	7,373		7,373	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	EQUITY EARNINGS FROM SU	6,270,088		6,270,088	
b	COMMUNITY SERVICE PROJE	80,258	80,258		
c	DUES/LICENSES	61,603		61,603	
d	MISCELLANEOUS	42,673	17,875	24,798	
e					
f	All other expenses	59,640	28,673	30,967	
25	Total functional expenses. Add lines 1 through 24f	7,786,109	547,381	7,238,728	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			2,604,238	1	1,735,990
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net				4	
	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			25,015	7	207,201
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			57,146	9	82,952
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	113,107			
	b	Less: accumulated depreciation	10b	94,681	31,080	10c	18,426
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			28,460,285	12	29,019,952
	13	Investments—program-related. See Part IV, line 11			320,685,046	13	308,464,533
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11				15	
16	Total assets. Add lines 1 through 15 (must equal line 34)			351,862,810	16	339,529,054	
Liabilities	17	Accounts payable and accrued expenses			315,037	17	305,972
	18	Grants payable				18	80,000
	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				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			12,496	25	885,198
	26	Total liabilities. Add lines 17 through 25			327,533	26	1,271,170
	Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
27		Unrestricted net assets			347,034,186	27	331,287,468
28		Temporarily restricted net assets			3,915,778	28	6,360,104
29		Permanently restricted net assets			585,313	29	610,312
Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.							
30		Capital stock or trust principal, or current funds				30	
31		Paid-in or capital surplus, or land, building or equipment fund				31	
32		Retained earnings, endowment, accumulated income, or other funds				32	
33		Total net assets or fund balances			351,535,277	33	338,257,884
34	Total liabilities and net assets/fund balances			351,862,810	34	339,529,054	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,857,666
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,786,109
3	Revenue less expenses Subtract line 2 from line 1	3	-3,928,443
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	351,535,277
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,348,950
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	338,257,884

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization MERITER HEALTH SERVICES INC	Employer identification number 39-1412318
---	--

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 **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 Se**section 509(a)(4).**

11

☒

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

a

☐

Type I

b

☒

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☒

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) MERITER HOSPITAL INC	390806367	3	Yes		Yes		Yes		785,692
Total									785,692

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	☐
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	☐
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	☐

Part IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not 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—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 39-1412318
Name: MERITER HEALTH SERVICES INC

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES WOODWARD CEO/PRESIDENT	30 00	X		X				433,644	289,095	45,301
DAVE BOYER CHAIR	6 00	X		X				6,250	6,250	0
VIRGINIA GRAVES VICE CHAIR	6 00	X		X				0	0	0
LONDA DEWEY IMMEDIATE PAST CHAIR	6 00	X		X				6,250	6,250	0
DAVE ANDERSON END 711 BOARD MEMBER	4 00	X						0	0	0
HOLLY CREMER-BERKENDSTADT BOARD MEMBER	4 00	X						0	0	0
JOAN BURKE END 611 BOARD MEMBER	4 00	X						0	0	0
PHIL BLAKE END 611 BOARD MEMBER	4 00	X						0	0	0
CATHERINE DURHAM BOARD MEMBER	4 00	X						0	0	0
MICHAEL GOLDROSEM MD BOARD MEMBER	4 00	X						0	0	0
GEORGE KAMPERSCHORER BOARD MEMBER	4 00	X						0	0	0
RICHARD LYNCH BOARD MEMBER	4 00	X						0	0	0
BRADLEY MANNING MD BOARD MEMBER	4 00	X						0	0	0
EILEEN MERSHART BOARD MEMBER	4 00	X						0	0	0
MARGARET NOREUIL RN PHD START 611 BOARD MEMBER	4 00	X						0	0	0
PAUL PEERCY PHD BOARD MEMBER	4 00	X						0	0	0
DAN RASHKE START 611 BOARD MEMBER	4 00	X						0	0	0
PAT RICHTER BOARD MEMBER	4 00	X						0	0	0
LAURENCE ROTHSTEIN MD BOARD MEMBER	4 00	X						0	0	0
JULIE SCHURR MD BOARD MEMBER	4 00	X						0	0	0
BARBARA SWAN BOARD MEMBER	4 00	X						0	0	0
SUSAN TOTH MD BOARD MEMBER	4 00	X						0	230,482	11,716
LINDA HOFF CFO/SECRETARY/TREASURER	10 00			X				0	436,209	39,481
LYNNE MYERS COO/ASSISTANT SECRETARY	5 00			X				0	441,443	30,088
KEVIN BOREN ASSISTANT TREASURER	10 00			X				0	230,418	19,635

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SUE ERICKSON VP OF PROFESSIONAL SERVICES	5 00				X			0	221,590	46,832
PATRICIA GRUNWALD CHIEF NURSING OFFICER	5 00				X			0	286,998	44,607
KERRA GUFFEY CHIEF INFORMATION OFFICER	5 00				X			0	323,297	31,982
TAMARA SAUNAITIS CHIEF HR OFFICER	5 00				X			0	266,190	11,251
BETH ERDMAN DIRECTOR CONTRACTING	40 00					X		149,146	0	18,371
FRED MCGEE FORMER EXECUTIVE	0 00						X	122,905	0	0
TIMOTHY PRINCE FORMER EXECUTIVE	0 00						X	156,383	0	6,253

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
MERITER HEALTH SERVICES INC

Employer identification number
39-1412318

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	☐ 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) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

	Held at the End of the Year
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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

Part III

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

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

3

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

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

3a(i)

Yes

No

(ii)

related organizations

3a(ii)

b

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

3b

4

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		5,629	5,629	0
e Other		107,478	89,052	18,426
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				18,426

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	3,857,666
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,786,109
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-3,928,443
4	Net unrealized gains (losses) on investments	4	-3,546,031
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-5,802,919
9	Total adjustments (net) Add lines 4 - 8	9	-9,348,950
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-13,277,393

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	777,614,443
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-2,402,788
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	782,429,653
e	Add lines 2a through 2d	2e	780,026,865
3	Subtract line 2e from line 1	3	-2,412,422
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	6,270,088
c	Add lines 4a and 4b	4c	6,270,088
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	3,857,666

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	764,673,817
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	763,157,796
e	Add lines 2a through 2d	2e	763,157,796
3	Subtract line 2e from line 1	3	1,516,021
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	6,270,088
c	Add lines 4a and 4b	4c	6,270,088
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	7,786,109

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	ASC 740-10, INCOME TAXES OVERALL ADDRESSES THE DETERMINATION OF HOW TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS. UNDER ASC 740-10, COMPANIES MUST RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. ASC 740-10 ALSO PROVIDES GUIDANCE ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES, AND ACCOUNTING IN INTERIM PERIODS AND REQUIRES INCREASED DISCLOSURES. THE CORPORATION HAS ANALYZED THE REQUIREMENTS OF ASC 740-10 AND HAS CONCLUDED IT HAS NO MATERIAL UNCERTAIN TAX POSITION AS OF DECEMBER 31, 2011. IT IS THE CORPORATION'S POLICY TO RECORD INTEREST AND PENALTIES ON UNCERTAIN TAX PROVISIONS AS INCOME TAX EXPENSE. AS OF DECEMBER 31, 2011, THE CORPORATION HAS NO ACCRUED INTEREST OR PENALTIES RELATED TO UNCERTAIN TAX POSITIONS.
PART XI, LINE 8 - OTHER ADJUSTMENTS		ADDITIONAL MINIMUM PENSION LIABILITY -32,092,896 DONOR RESTRICTED CONTRIBUTIONS 1,108,194 DEFERRED TAX ADJUSTMENT 1,923,116 EQUITY IN AFFILIATES 23,258,668 ROUNDING -1 TOTAL TO SCHEDULE D, PART XI, LINE 8 -5,802,919
PART XII, LINE 2D - OTHER ADJUSTMENTS		REVENUE REPORTED BY SUBSIDIARIES 782,429,653
PART XII, LINE 4B - OTHER ADJUSTMENTS		RECLASS OF EQUITY LOSS FROM SUBSIDIARIES TO EXPENSES 6,270,088
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES REPORTED BY SUBSIDIARIES 763,157,796
PART XIII, LINE 4B - OTHER ADJUSTMENTS		RECLASS OF EQUITY LOSS FROM SUBSIDIARIES TO EXPENSES 6,270,088

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MERITER HEALTH SERVICES INC

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Employer identification number
39-1412318

Part I General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) ACCESS COMMUNITY HEALTH CENTER3434 E WASHINGTON AVENUE MADISON,WI 53704	39-1391134	501(C)(3)	10,000	0			GENERAL SUPPORT
(2) THRIVE INCPO BOX 71 MADISON,WI 537010071	71-1015136	501(C)(6)	15,000	0			GENERAL SUPPORT
(3) UNITED WAY OF DANE COUNTY2059 ATWOOD AVENUE MADISON,WI 53713	39-0817532	501(C)(3)	12,500	0			GENERAL SUPPORT
(4) UNIVERSITY OF WISCONSIN FOUNDATION 1848 UNIVERSITY AVENNUE MADISON,WI 53726	39-0743975	501(C)(3)	20,000	0			CONSTRUCTION OF NURSING SCIENCE CENTER
(5) WISCONSIN WOMENS HEALTH FOUNDATION 2503 TODD DRIVE MADISON,WI 53713	39-1900678	501(C)(3)	10,000	0			GENERAL SUPPORT

2

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

4

3

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

1

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 GRANTS ARE MADE UPON SPECIFIC PROJECT REQUEST AND ONLY MADE TO ORGANIZATIONS THAT WE HAVE A WORKING RELATIONSHIP WITH AND SHARE A COMMON GOAL OF COMMUNITY BENEFIT GRANTS ARE GENERALLY MADE TO 501(C)(3) ORGANIZATIONS WHICH MUST COMPLETE FORM 990'S AND ANNUAL REPORTS OTHER PAYMENTS SUPPORT HEALTH AND YOUTH FITNESS ACTIVITIES

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization MERITER HEALTH SERVICES INC	Employer identification number 39-1412318
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Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax idemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☒ Health or social club dues or initiation fees		
	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
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		
	☒ Compensation committee		
	☒ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☒ Written employment contract		
	☒ Compensation survey or study		
	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JAMES WOODWARD	(i)	300,361	114,973	18,310	9,628	17,552	460,824	0
	(ii)	200,241	76,648	12,206	6,419	11,702	307,216	0
(2) SUSAN TOTH MD	(i)	0	0	0	0	0	0	0
	(ii)	187,333	40,000	3,149	0	11,716	242,198	0
(3) LINDA HOFF	(i)	0	0	0	0	0	0	0
	(ii)	327,438	108,212	559	24,496	14,985	475,690	0
(4) LYNNE MYERS	(i)	0	0	0	0	0	0	0
	(ii)	329,196	111,037	1,210	15,350	14,738	471,531	0
(5) KEVIN BOREN	(i)	0	0	0	0	0	0	0
	(ii)	200,968	29,118	332	4,636	14,999	250,053	0
(6) SUE ERICKSON	(i)	0	0	0	0	0	0	0
	(ii)	169,755	44,556	7,279	24,394	22,438	268,422	0
(7) PATRICIA GRUNWALD	(i)	0	0	0	0	0	0	0
	(ii)	212,895	63,992	10,111	30,460	14,147	331,605	0
(8) KERRA GUFFEY	(i)	0	0	0	0	0	0	0
	(ii)	243,782	78,911	604	15,717	16,265	355,279	0
(9) TAMARA SAUNAITIS	(i)	0	0	0	0	0	0	0
	(ii)	166,283	40,000	59,907	0	11,251	277,441	0
(10) BETH ERDMAN	(i)	127,532	21,513	101	11,783	6,588	167,517	0
	(ii)	0	0	0	0	0	0	0
(11) FRED MCGEE	(i)	0	0	122,905	0	0	122,905	0
	(ii)	0	0	0	0	0	0	0
(12) TIMOTHY PRINCE	(i)	0	30,430	125,953	0	6,253	162,636	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	BUSINESS CLUB DUES WERE PAID FOR ONE PERSON. THE BUSINESS CLUB IS AN IRC SECTION 501(C)(7).
	PART I, LINE 1B	IF BENEFITS PAID ARE NOT PART OF AN ESTABLISHED COMPENSATION OR BENEFIT PROGRAM, THE VP OF HUMAN RESOURCES (HR) WORKS WITH OUR HR CONSULTING FIRM TO ENSURE THAT TOTAL COMPENSATION IS WITHIN THE ORGANIZATION'S PHILOSOPHY AND IS REASONABLE. DEPARTURES FROM THE ESTABLISHED GUIDELINES MUST BE REVIEWED BY THE EXTERNAL CONSULTANT, PROPOSED TO THE COMPENSATION COMMITTEE OF THE BOARD, AND APPROVED IN ADVANCE.
	PART I, LINES 4A-B	SEVERANCE PAYMENTS WERE RECEIVED BY THE FOLLOWING INDIVIDUALS: FRED MCGEE - \$122,905; TIMOTHY PRINCE - \$125,953. WHILE SELECT INDIVIDUALS PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN, NO PAYMENTS FROM THIS PLAN WERE RECEIVED IN 2011.
	PART I, LINE 7	SYSTEM-WIDE PERFORMANCE MEASURES, WITH A FINANCIAL THRESHOLD COMPONENT, MUST BE MET TO QUALIFY FOR THE OVERALL INCENTIVE. ONCE MET, VARIOUS ESTABLISHED GOALS ARE MEASURED, WHICH INCLUDE SPECIFIC PERFORMANCE IMPROVEMENT SAVINGS, DAYS CASH ON HAND, OPERATING MARGIN.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization MERITER HEALTH SERVICES INC	Employer identification number 39-1412318
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	LONDA DEWEY AND DANIEL RASHKE HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	MERITER CONTRACTS WITH AN OUTSIDE PUBLIC ACCOUNTING FIRM TO PREPARE ALL INCOME TAX RETURNS. MERITER'S ACCOUNTING DEPARTMENT STAFF COMPLETES AND THE CORPORATE CONTROLLER REVIEWS THE COMPREHENSIVE TAX ORGANIZER PROVIDED BY THE TAX FIRM. THE CORPORATE CONTROLLER AND THE TAX FIRM WORK TOGETHER TO PREPARE TAX RETURNS TO REFLECT INFORMATION THAT AFFECTS THE FORM 990. TWO WEEKS PRIOR TO FILING, THE RETURNS WILL BE POSTED TO THE BOARD GOVERNANCE INTERNAL WEB SITE ACCOMPANIED BY A MEMO HIGHLIGHTING THE KEY POINTS OF INTEREST FOR THE FILING YEAR AND CONTAINING THE ANTICIPATED FILING DATE. IN ADDITION TO PROVIDING CONTACT INFORMATION FOR FURTHER INQUIRY BY THE BOARD, IN ADDITION, AND IN GENERAL, THE FORM 990 WILL BE FORMALLY PRESENTED TO THE AUDIT COMMITTEE OF THE BOARD PRIOR TO FILING.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF DIRECTORS CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY ON A PROACTIVE BASIS, DECLARATIONS OF POTENTIAL CONFLICTS OF INTEREST ARE SIGNED WHEN EACH DIRECTOR JOINS THE BOARD AND ANNUALLY THEREAFTER THE CEO AND BOARD CHAIR MONITOR THE POTENTIAL CONFLICTS DISCLOSED BY BOARD MEMBERS AND MANAGE ATTENDANCE AT MEETINGS AND PARTICIPATION IN VOTES ACCORDING TO THE ISSUE ON THE AGENDA INDIVIDUAL DIRECTORS ALSO MONITOR THEIR POTENTIAL CONFLICTS AND RECUSE THEMSELVES FROM BOARD DISCUSSION AND/OR VOTES AS REQUIRED BY THE CIRCUMSTANCES THE PROCESS OF MANAGING CONFLICTS OF INTEREST IS RECORDED IN THE MEETING MINUTES BELOW IS THE 2011 CONFLICT OF INTEREST DISCLOSURE DRS DIEM, ROTHSTEIN AND PRIEST ARE MEMBERS OF PHY SICIAN PLUS INVESTMENT GROUP LLP WHICH IS A 1/3 OWNER OF PHY SICIANS PLUS INSURANCE CORPORATION WHERE MERITER HEALTH SERVICES OWNS THE REMAINING 2/3 DR ROTHSTEIN IS THE MANAGING PARTNER OF PPIG LLP AND DR PRIEST IS A NON-VOTING MEMBER OF SAME DR MANNING, A MERITER HEALTH SERVICES AND MERITER HOSPITAL BOARD MEMBER IS ALSO A MEMBER OF UNIVERSITY OF WISCONSIN MEDICAL FOUNDATION MERITER PAYS TEACHING STIPENDS TO UNIVERSITY OF WISCONSIN MEDICAL FOUNDATION PHYSICIANS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS APPROVES EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY THE BOARD OF DIRECTORS AUTHORIZES A SUB-COMMITTEE OF THE BOARD TO MAKE COMPENSATION DECISIONS WHILE RETAINING OVERSIGHT OF SAID COMMITTEE AN EXTERNAL HUMAN RESOURCES CONSULTING FIRM IS ENGAGED BY THE BOARD OF DIRECTORS' SUB-COMMITTEE THIS FIRM COLLECTS AND REVIEWS ALL ORGANIZATIONAL INFORMATION, COMPENSATION DATA, AND BACKGROUND INFORMATION MATCHING ALL EXECUTIVE POSITIONS TO SURVEY BENCHMARKS USING THIS INFORMATION THE CONSULTING FIRM PRODUCES ESTIMATED MARKET VALUES FOR EACH EXECUTIVE AND RECOMMENDS ANY NECESSARY CHANGES WITH EXECUTIVE COMPENSATION TO THE BOARD COMMITTEE FOR THEIR DECISION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	BECAUSE THE ORGANIZATION FILED ITS FORM 1023 BEFORE JULY 1987 AND DID NOT HAVE A COPY OF FORM 1023 ON THAT DATE, IT IS NOT REQUIRED TO MAKE ITS FORM 1023 AVAILABLE FOR PUBLIC INSPECTION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	AS PRIVATE CORPORATIONS, THE GOVERNING DOCUMENTS ARE NOT MADE PUBLIC THE CONFLICT OF INTEREST POLICY IS NOT GENERALLY MADE PUBLIC, BUT WOULD BE DISCLOSED TO INTERESTED PARTIES IN THE CONTEXT OF ANY ISSUE THAT MIGHT ARISE FINANCIAL INFORMATION CONTAINED WITHIN THE 990S IS AVAILABLE TO THE PUBLIC ON GUIDESTAR AND ARE AVAILABLE UPON REQUEST OF ADMINISTRATION

Identifier	Return Reference	Explanation
ELECTION OF THE MEMBERS OF THE GOVERNING BODY	FORM 990, PART VI, SECTION A, LINE 7A AND LINE 7B	MERITER HEALTH SERVICES IS A SELF-PERPETUATING BOARD AND ELECTS THE DIRECTORS TO THE MHS BOARD NO ACTIONS REQUIRE AUTHORIZATION BY ANOTHER BODY

Identifier	Return Reference	Explanation
HOURS FROM RELATED ORGANIZATION,	FORM 990, PART VII	ALL LISTED MERITER EMPLOYERS REPORTED ON THIS FORM 990 WORK, ON AVERAGE, A MINIMUM OF 40 HOURS PER WEEK FOR THE MERITER ENTITIES. THE DIFFERENCE BETWEEN 40 HOURS AND THE HOURS REPORTED ON FORM 990, PART VII REPRESENTS THE ESTIMATED HOURS WORKED FOR OTHER MERITER ENTITIES BASED ON A 40-HOURS PER WEEK. HOWEVER, IN MOST CASES, THESE INDIVIDUALS WORK FOR MORE THAN 40 HOURS PER WEEK.

Identifier	Return Reference	Explanation
EXPLANATION OF COMPENSATION PAID TO SUSAN TOTH, MD	FORM 990, PART VII, SECTION A	THE COMPENSATION PAID TO SUSAN TOTH, M.D. REFLECTS PAYMENT FOR HER SERVICES AS PHYSICIAN TO MERITER MEDICAL GROUP, INC., A RELATED ORGANIZATION, NOT REMUNERATION FOR HER PARTICIPATION ON THE BOARD OF TRUSTEES FOR MERITER HOSPITAL OR MERITER HEALTH SERVICES

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -3,546,031 ADDITIONAL MINIMUM PENSION LIABILITY -32,092,896 DONOR RESTRICTED CONTRIBUTIONS 1,108,194 DEFERRED TAX ADJUSTMENT 1,923,116 EQUITY IN AFFILIATES 23,258,668 ROUNDING -1 TOTAL TO FORM 990, PART XI, LINE 5 -9,348,950

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
MERITER HEALTH SERVICES INC

Employer identification number
39-1412318

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) MERITER HOSPITAL INC 202 SOUTH PARK STREET MADISON, WI 537151596 39-0806367	ACUTE CARE HOSPITAL	WI	501(C)(3)	LINE 3	MERITER HEALTH SERVICES INC	Yes	
(2) MERITER FOUNDATION INC 202 SOUTH PARK STREET MADISON, WI 537151596 23-7098688	CHARITABLE SUPPORT FOR HEALTH CARE NEEDS	WI	501(C)(3)	LINE 7	MERITER HEALTH SERVICES INC		No
(3) MERITER MEDICAL GROUP INC 202 SOUTH PARK STREET MADISON, WI 537151596 05-0545222	CLINICAL SUPPORT OF MERITER HOSPITAL, INC	WI	501(C)(3)	LINE 11B, II	MERITER HOSPITAL INC	Yes	
(4) SHARED MAGNETIC RESONANCE IMAGING FACILITY INC 1104 JOHN NOLEN DRIVE MADISON, WI 53713 39-1534744	MEDICAL TECHNOLOGY	WI	501(C)(3)	LINE 11A, I	MERITER HOSPITAL INC		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) MERITER REAL ESTATE LLC 202 SOUTH PARK STREET MADISON, WI 537151596 20-1455471	REAL ESTATE MANAGEMENT	WI	MERITER HOSPITAL	EXCLUDED	105,547			No		Yes		100 000 %
(2) MERITER UWMF PHYSICIAN CONTRACTING CO LLC 202 SPARK ST MADISON, WI 537151596 39-1998819	HEALTH CARE CONTRACTING SERVICES	WI	MERITER HEALTH SERVICES	RELATED	-1,508	32,485		No		Yes		60 000 %

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) MERITER HEALTH ENTERPRISES 202 SOUTH PARK STREET MADISON, WI 537151596 39-1293620	HEALTHCARE RELATED ACTIVITIES	WI	MERITER MANAGEMENT SERVICES	C	922,565	13,378,935	100 000 %
(2) HCP CORPORATION 202 SOUTH PARK STREET MADISON, WI 537151596 39-1177562	RENTAL PROPERTIES	WI	MERITER HOSPITAL	C	92,572	909,747	100 000 %
(3) MERITER MANAGEMENT SERVICES INC 202 SOUTH PARK STREET MADISON, WI 537151596 39-1458235	MANAGEMENT COMPANY	WI	MERITER HEALTH SERVICES INC	C	-581,748	16,138,183	100 000 %
(4) PHYSICIANS PLUS INSURANCE INC 2650 NOVATION PARKWAY MADISON, WI 53713 39-1565691	INSURANCE	WI	MERITER HEALTH SERVICES INC	C	-6,268,574	58,228,654	67 000 %

Part V

Transactions With Related Organizations

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

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

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

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

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

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

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

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

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

Yes

Yes

Yes

No

No

No

No

No

Yes

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) MERITER HOSPITAL INC	K	785,692	FAIR VALUE
(2) MERITER MANAGEMENT SERVICES INC	L	85,885	FAIR VALUE
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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