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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)	OMB No 1545-0047 <div> <div>2011</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012		D Employer identification number	
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		38-1362830 E Telephone number (231) 935-5000	
C Name of organization MUNSON MEDICAL CENTER Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 1188 City or town, state or country, and ZIP + 4 TRAVERSE CITY, MI 496851188		G Gross receipts \$ 473,734,862	
F Name and address of principal officer EDWIN A NESS 1105 SIXTH ST TRAVERSE CITY, MI 49684		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ WWW.MUNSONHEALTHCARE.ORG			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1947	M State of legal domicile MI

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities AS A VITAL PART OF MUNSON HEALTHCARE, MUNSON MEDICAL CENTER EXISTS TO DELIVER COMPREHENSIVE QUALITY CARE TO PATIENTS IN PARTNERSHIP WITH PHYSICIANS		
	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	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	13
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	4,174
	6 Total number of volunteers (estimate if necessary)	6	359
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,999
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	1,195
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,661,786	2,890,667
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	445,989,729	455,632,762
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,773,131	10,157,619
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,820,790	4,847,918
		463,245,436	473,528,966
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	50,294	273,071
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	220,681,498	220,279,573
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	16b Total fundraising expenses (Part IX, column (D), line 25) <u>500,274</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	205,231,661	215,244,905
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	425,963,453	435,797,549
	19 Revenue less expenses Subtract line 18 from line 12	37,281,983	37,731,417
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	572,910,970	587,352,193
	21 Total liabilities (Part X, line 26)	266,902,186	312,256,159
	22 Net assets or fund balances Subtract line 21 from line 20	306,008,784	275,096,034

Part II	Signature Block
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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	<div> <div></div> <div>Signature of officer</div> </div>			2013-05-06
	<div> <div></div> <div>MARK A HEPLER CHIEF FINANCIAL OFFICER</div> </div> <div>Type or print name and title</div>			Date
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no

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

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

AS A VITAL PART OF MUNSON HEALTHCARE, MUNSON MEDICAL CENTER EXISTS TO DELIVER COMPREHENSIVE QUALITY CARE TO PATIENTS IN PARTNERSHIP WITH PHYSICIANS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 \$ 395,921,168 including grants of \$ 273,071) (Revenue \$ 458,012,179)

EXPENSES INCURRED WHILE PROVIDING HOSPITAL SERVICES TO THE RESIDENTS OF TRAVERSE CITY, MICHIGAN AND THE SURROUNDING AREA WHILE FULFILLING THE HOSPITAL'S MISSION TO PROVIDE HEALTHCARE IN THE COMMUNITY

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 \$ 395,921,168

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> 	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements. 	20b	Yes

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	Yes	
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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	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	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		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 <input type="checkbox"/>		
		<div>YesNo</div>
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	<div>1a369</div>
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<div>1b0</div>
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<div>1c</div>
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. .	<div>2a4,174</div>
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).	<div>2bYes</div>
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<div>3aYes</div>
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<div>3bYes</div>
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)? .	<div>4aNo</div>
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?	<div>5aNo</div>
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<div>5bNo</div>
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<div>5c</div>
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?	<div>6aNo</div>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<div>6b</div>
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?	<div>7aNo</div>
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<div>7b</div>
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<div>7cNo</div>
d	If "Yes," indicate the number of Forms 8282 filed during the year.	<div>7d</div>
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<div>7eNo</div>
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<div>7fNo</div>
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<div>7g</div>
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<div>7h</div>
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?	<div>8</div>
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	<div>9a</div>
b	Did the organization make a distribution to a donor, donor advisor, or related person?	<div>9b</div>
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12.	<div>10a</div>
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<div>10b</div>
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders.	<div>11a</div>
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<div>11b</div>
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	<div>12a</div>
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<div>12b</div>
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.	<div>13a</div>
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.	<div>13b</div>
c	Enter the aggregate amount of reserves on hand.	<div>13c</div>
14a	Did the organization receive any payments for indoor tanning services during the tax year?	<div>14aNo</div>
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<div>14b</div>

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	20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
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	Yes
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	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	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	No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ▶ _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization 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 ▶ MUNSON HEALTHCARE 4230 COPPER RIDGE DR TRAVERSE CITY, MI 49684 (231) 935-7777

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

Form **990** (2011)

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,697,101	1,340,484	697,885

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶126

		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>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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>		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
HOSPITALISTS OF NORTHWEST MICHIGAN 1105 SIXTH ST TRAVERSE CITY, MI 49684	MEDICAL SERVICE	5,346,097
CERNER CORPORATION PO BOX 412702 KANSAS CITY, MO 64151	INFO TECHNOLOGY	2,829,705
MCKESSON CORPORATION PO BOX 98347 CHICAGO, IL 60693	INFO TECHNOLOGY	2,129,701
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINNEAPOLIS, MN 55480	LABORATORY SRV	1,661,398
SODEXO INC AND AFFILIATES 4880 PAYSHERE CIRCLE CHICAGO, IL 60674	DIETARY	1,459,044

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 ▶104

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	870,379				
	e	Government grants (contributions)	1e	1,787,269				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	233,019				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			2,890,667			
Program Service Revenue			Business Code					
	2a	MEDICARE AND MEDICAID PMTS	621990	242,214,383	242,214,383			
	b	PATIENT SERVICE REVENUE	621990	207,769,174	207,769,174			
	c	HEALTH SERVICE REVENUE	621990	3,041,798	3,041,798			
	d	SERVICES TO OTHER ORGANIZATIO	621990	2,195,423	2,195,423			
	e	RENT FROM RELATED ORGS	531120	411,984	411,984			
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			455,632,762			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			6,186,385	2,387,757	3,798,628	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		291,925						
		291,925						
	d	Net rental income or (loss)			291,925		291,925	
	7a	(i) Securities		(ii) O ther				
		3,982,573		136,300				
				147,639				
		3,982,573		-11,339				
	d	Net gain or (loss)			3,971,234	-11,339	3,982,573	
	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 . . .			2,999		2,999	
	Miscellaneous Revenue		Business Code					
	11a	CAFETERIA SALES		722210	3,685,235			3,685,235
	b	MISCELLANEOUS		621990	509,284			509,284
	c	AUXILIARY GIFT SHOP		446199	358,475			358,475
d	All other revenue							
e	Total. Add lines 11a-11d			4,552,994				
12	Total revenue. See Instructions			473,528,966	458,009,180	2,999	12,626,120	

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	20,000	20,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	253,071	253,071		
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	1,919,331		1,918,231	1,100
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	166,783,640	148,655,211	18,128,429	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,793,642	10,534,282	1,259,360	
9	Other employee benefits	27,627,282	24,457,758	3,169,524	
10	Payroll taxes	12,155,678	10,727,486	1,428,113	79
11	Fees for services (non-employees)				
a	Management				
b	Legal	404,021		404,021	
c	Accounting	251,231		251,231	
d	Lobbying	8,411		8,411	
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	39,503,062	34,401,034	4,602,933	499,095
12	Advertising and promotion	774,623	129,501	645,122	
13	Office expenses	5,321,677	3,114,169	2,207,508	
14	Information technology	9,892,657	3,061,574	6,831,083	
15	Royalties				
16	Occupancy	8,097,145	7,262,896	834,249	
17	Travel	965,517	750,445	215,072	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	523,925	388,302	135,623	
20	Interest	5,466,493	4,966,309	500,184	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	26,713,692	24,273,038	2,440,654	
23	Insurance	2,627,161	2,178,394	448,767	
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	MEDICAL SUPPLIES	101,207,305	101,207,305		
b	BAD DEBT	20,171,176	20,168,687	2,489	
c	REPAIRS AND MAINTENANCE	5,784,576	5,446,647	337,929	
d	MISCELLANEOUS	2,400,379	1,039,795	1,360,584	
e					
f	All other expenses	-14,868,146	-7,114,736	-7,753,410	
25	Total functional expenses. Add lines 1 through 24f	435,797,549	395,921,168	39,376,107	500,274
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			437,164	1	1,084,341
	2	Savings and temporary cash investments			76,860,787	2	78,438,418
	3	Pledges and grants receivable, net			417,007	3	669,040
	4	Accounts receivable, net			59,400,491	4	58,804,499
	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				7	
	8	Inventories for sale or use			12,007,491	8	10,929,153
	9	Prepaid expenses and deferred charges			8,348,302	9	6,234,932
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	500,320,640			
	b	Less: accumulated depreciation	10b	259,684,546	237,783,141	10c	240,636,094
	11	Investments—publicly traded securities			163,883,298	11	170,730,714
	12	Investments—other securities. See Part IV, line 11			8,607,757	12	14,935,549
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			557,485	14	517,604
	15	Other assets. See Part IV, line 11			4,608,047	15	4,371,849
	16	Total assets. Add lines 1 through 15 (must equal line 34)			572,910,970	16	587,352,193
Liabilities	17	Accounts payable and accrued expenses			39,228,366	17	34,324,376
	18	Grants payable				18	
	19	Deferred revenue			63,076	19	64,860
	20	Tax-exempt bond liabilities			129,001,841	20	128,713,437
	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			98,608,903	25	149,153,486
	26	Total liabilities. Add lines 17 through 25			266,902,186	26	312,256,159
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			302,895,376	27	265,592,590
	28	Temporarily restricted net assets			3,113,408	28	9,503,444
	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			306,008,784	33	275,096,034
	34	Total liabilities and net assets/fund balances			572,910,970	34	587,352,193

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	473,528,966
2	Total expenses (must equal Part IX, column (A), line 25)	2	435,797,549
3	Revenue less expenses Subtract line 2 from line 1	3	37,731,417
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	306,008,784
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-68,644,167
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	275,096,034

Part XII Financial Statements and Reporting

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

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

2011

Open to Public Inspection

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.

Name of the organization

MUNSON MEDICAL CENTER

Employer identification number

38-1362830

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 See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

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

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

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

h

☐

Provide the following information about the supported organization(s)

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

(i) 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	
Total									

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2011

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 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

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

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization MUNSON MEDICAL CENTER	Employer identification number 38-1362830
---	--

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

1

Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2

Political expenditures

▶ \$

3

Volunteer hours

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

1

Enter the amount of any excise tax incurred by the organization under section 4955

▶ \$

2

Enter the amount of any excise tax incurred by organization managers under section 4955

▶ \$

3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year?

☐ Yes ☒ No

4a

Was a correction made?

☐ Yes ☒ No

b

If "Yes," describe in Part IV

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

1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

▶ \$

2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities

▶ \$

3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b

▶ \$

4

Did the filing organization file Form 1120-POL for this year?

☐ Yes ☒ No

5

Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A

Check

☐

if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable 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?	Yes		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		
j Total lines 1c through 1i				18,927
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

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

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

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
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.

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1	GRASSROOTS LOBBYING EXPENSES GRANTED TO ORGANIZATIONS. OTHER ACTIVITIES INDICATE THE PORTION OF DUES ALLOCATED TO LOBBYING EXPENSES PAID TO REGIONAL OR NATIONAL ORGANIZATIONS.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSON MEDICAL CENTER

Employer identification number
38-1362830

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	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	166,996,705	143,412,065	128,015,726	151,976,653	
b Contributions	9,477,532	996,567	2,073,910	815,757	
c Investment earnings or losses	4,724,667	23,516,814	14,807,677	-20,538,618	
d Grants or scholarships					
e Other expenditures for facilities and programs	87,150	141,430	1,054,734	4,238,065	
f Administrative expenses	877,667	787,311	430,514		
g End of year balance	180,234,157	166,996,705	143,412,065	128,015,726	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 94 7 30 %

b

Permanent endowment ▶

c

Term endowment ▶ 5 270 %

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

3a(i)

No

3a(ii)

Yes

b

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

3b

Yes

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		13,276,090		13,276,090
b Buildings		283,936,438	127,624,171	156,312,267
c Leasehold improvements		265,646	76,174	189,472
d Equipment		176,060,259	130,404,138	45,656,121
e Other		26,782,207	1,580,063	25,202,144
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				240,636,094

Schedule D (Form 990) 2011

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	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 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
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 should equal Form 990, Part I, line 12)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
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 should equal Form 990, Part I, line 18)	5

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	THE BOARD OF TRUSTEES DESIGNATES SUBSTANTIAL INVESTMENTS FOR THE REPLACEMENT, IMPROVEMENT, AND THE EXPANSION OF TANGIBLE FACILITIES OWNED BY MUNSON MEDICAL CENTER TO ENSURE FUNDS ARE AVAILABLE TO MAINTAIN THE HOSPITAL ASSETS TO CARRY OUT ITS MISSION. A PORTION OF THE TERM ENDOWMENT ASSETS ARE THOSE HELD FOR SPECIFIC MEDICAL PURPOSES, AS DEFINED BY DONORS. THOSE ASSETS ARE BEING HELD FOR A VARIETY OF DONOR INTERESTS INCLUDING ADAPTIVE SPORTS, PEDIATRIC THERAPY, OTHER PEDIATRIC MEDICAL NEEDS, RESEARCH, AND PATIENT ASSISTANCE. MUNSON MEDICAL CENTER HAS NO FIN 48 LIABILITIES, AND THEREFORE, NO FOOTNOTE DISCLOSURE ON THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS. SEE AUDITED FINANCIAL STATEMENTS.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSON MEDICAL CENTER

Employer identification number
38-1362830

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			5,211,725		5,211,725	1 230 %
b Medicaid (from Worksheet 3, column a)			40,203,113	31,355,392	8,847,721	2 090 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			686,877	353,020	333,857	0 080 %
d Total Charity Care and Means-Tested Government Programs			46,101,715	31,708,412	14,393,303	3 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,747,580	46,937	3,700,643	0 870 %
f Health professions education (from Worksheet 5)			4,348,621	1,259,473	3,089,148	0 730 %
g Subsidized health services (from Worksheet 6)			442,168	2,038	440,130	0 100 %
h Research (from Worksheet 7)			792,428		792,428	0 190 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			378,978	1,400	377,578	0 090 %
j Total Other Benefits			9,709,775	1,309,848	8,399,927	1 980 %
k Total. Add lines 7d and 7j			55,811,490	33,018,260	22,793,230	5 380 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing			100,321		100,321	0.020 %
2Economic development			6,919		6,919	
3Community support			30,456		30,456	0.010 %
4Environmental improvements			25,801		25,801	0.010 %
5Leadership development and training for community members						
6Coalition building			1,200		1,200	
7Community health improvement advocacy			1,197		1,197	
8Workforce development			38,941		38,941	0.010 %
9Other						
10Total			204,835		204,835	0.050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	27,063,032	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	31,062,280	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5213,993,217	
6	Enter Medicare allowable costs of care relating to payments on line 5	6207,324,910	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	76,668,307	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1NW MI SURGERY CENTER	AMBULATORY SURGERY CENTER	49.000 %		51.000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

MUNSON MEDICAL CENTER

Name of Hospital Facility: _____

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> 0% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 0</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input checked="" type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	Yes	
If "No," indicate why			
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d <input type="checkbox"/> Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b <input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	21		No
If "Yes," explain in Part VI			

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 13

Name and address	Type of Facility (Describe)
1 See Additional Data Table	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
OTHER TESTING METHODS FOR FREE OR DISCOUNTED CARE	PART I LINE 3C	INCOME UP TO 200 OF THE FPG 100 DISCOUNT ON CHARGES INCOME BETWEEN 201 AND 300 FPG 75 DISCOUNT ON CHARGES INCOME BETWEEN 301 AND 400 FPG 50 DISCOUNT ON CHARGES FAMILY INCOME MAY INCLUDE ALL INCOME ATTRIBUTABLE TO ALL MEMBERS OF THE FAMILY IN THE RESIDENCE OTHER THAN MINIMAL AMOUNTS EARNED BY MINORS FAMILY INCOME INCLUDES THE FOLLOWING WHEN COMPUTING FPG INCLUDES EARNINGS UNEMPLOYMENT COMPENSATION WORKERS COMPENSATION SOCIAL SECURITY SUPPLEMENTAL SECURITY INCOME PUBLIC ASSISTANCE VETERANS PAYMENTS SURVIVOR BENEFITS PENSION OR RETIREMENT INCOME INTEREST DIVIDENDS RENTS ROYALTIES INCOME FROM ESTATES EDUCATIONAL ASSISTANCE ALIMONY CHILD SUPPORT ASSISTANCE FROM OUTSIDE THE HOUSEHOLD AND OTHER MISCELLANEOUS SOURCES CASH CHECKING AND SAVINGS BALANCES MONEY MARKET ACCOUNTS CERTIFICATES OF DEPOSIT IRAS TRUSTS INHERITANCES ANNUITIES SAVINGS BONDS STOCKS MUTUAL FUNDS ANDOR CASH VALUE OF LIFE INSURANCE

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES EXPLANATION	PART I LINE 7G	THERE ARE NO PHYSICIAN CLINICS IN SUBSIDIZED HEALTH SERVICES

Identifier	ReturnReference	Explanation
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	TOTAL EXPENSES FROM FORM 990 PART IX LINE 25 ARE 435797549 AND THE PROPORTIONATE SHARE OF TOTAL EXPENSES OF THE AMBULATORY SURGERY CENTER IS 7389042 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT WAS 20168687 THE NET EXPENSE OF 423017904 WAS USED FOR PURPOSES OF CALCULATING LINE 7 COLUMN F

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	COST VALUES FOR LINE 7 ARE BASED ON THE COST TO CHARGE RATIO COMPUTATION

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	MUNSON MEDICAL CENTER MMC PROVIDED 204835 IN COMMUNITYBUILDING ACTIVITIES DURING THE 2011 TAX YEAR THESE ACTIVITIES INCLUDED A CASH DONATION FOR COALITION BUILDING ACTIVITIES IN GRAND TRAVERSE COUNTY ADMINISTRATIVE SUPPORT ON MANY BOARDS SUPPORTING CHANGES IN SOCIAL DETERMINATES OF HEALTH ADDRESSING ADEQUATE COMMUNITYWIDE HOUSING POVERTY REDUCTION AND WORKFORCE DEVELOPMENT ENVIRONMENTAL IMPROVEMENTS INCLUDING WASTE REDUCTION AND RECYCLING MMC CONTINUES AS A GUIDING FORCE IN MICHIGANS REGION 7 BIOTERRORISMDISASTER PREPAREDNESS AS PART OF CRITICAL WORKFORCE DEVELOPMENT MUNSON STAFF ATTENDS MANY REGIONAL CAREER DAYS PROVIDING STUDENTS WITH INFORMATION ON WHY THEY MIGHT WANT TO BE EMPLOYED IN THE OFTENCritical AREA OF HEALTH CARE

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	TO DETERMINE THE AMOUNT OF BAD DEBT ATTRIBUTABLE TO PATIENTS WHO WOULD PROBABLY QUALIFY UNDER MUNSON MEDICAL CENTERS CHARITY CARE POLICY MUNSON DIRECTED AN INTERNAL STUDY FROM A 3MONTH SAMPLE OF CURRENT BAD DEBT ACCOUNTS FIRST THE STUDY IDENTIFIED THE SELFPAY PORTION OF THE BAD DEBT EXPENSE THEN THE SELFPAY ACCOUNTS WERE ANALYZED USING REVENUE CYCLE ANALYTIC SOFTWARE TO IDENTIFY POTENTIAL CHARITY CARE CANDIDATES USING THE SOFTWARE ESTIMATIONS A PORTION OF THE SELFPAY ACCOUNTS WERE DEEMED CHARITY CARE ELIGIBLE THAT ESTIMATED PORTION WAS APPLIED TO THE SELFPAY BAD DEBT DOLLAR AMOUNT TO DETERMINE THE AMOUNT OF BAD DEBT THAT WOULD BE CONSIDERED CHARITY IF THE PROPER APPLICATIONS AND DOCUMENTATION WERE AVAILABLE FROM THE PATIENTS THE ACCOUNTS RECEIVABLE FOOTNOTE TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MUNSON HEALTHCARE AND SUBSIDIARIES STATES THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANagements ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND GENERAL ECONOMIC CONDITION IN ITS SERVICE AREA TRENDS IN HEALTHCARE COVERAGE AND OTHER COLLECTION INDICATORS THROUGHOUT THE YEAR MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITEOFF EXPERIENCE BY PAYOR CATEGORY AND OTHER FACTORS THE RESULTS OF THESE REVIEWS ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS THE ORGANIZATION FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PASTDUE PATIENT BALANCES WITH COLLECTION AGENCIES

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	MUNSON HEALTHCARES INTERNAL AND EXTERNAL COLLECTION PRACTICES INCLUDING ACTIONS THE HOSPITAL MAY TAKE IN THE EVENT OF NONPAYMENT INCLUDING COLLECTIONS ACTIONS AND REPORTING TO COLLECTION AGENCIES SHALL TAKE INTO ACCOUNT THE EXTENT TO WHICH THE PATIENT QUALIFIES FOR CHARITY A PATIENTS GOOD FAITH EFFORT TO APPLY FOR A GOVERNMENTAL PROGRAM OR FOR CHARITY FROM MUNSON HEALTHCARE AND A PATIENTS GOOD FAITH EFFORT TO COMPLY WITH HISHER PAYMENT AGREEMENTS WITH MUNSON HEALTHCARE FOR PATIENTS WHO QUALIFY FOR CHARITY AND WHO ARE COOPERATING IN GOOD FAITH TO RESOLVE THEIR DISCOUNTED HOSPITAL BILLS MUNSON HEALTHCARE MAY OFFER EXTENDED PAYMENT PLANS WILL NOT SEND UNPAID BILLS TO OUTSIDE COLLECTION AGENCIES AND WILL CEASE ALL COLLECTION EFFORTS ON ANY UNPAID BALANCES ON ACCOUNTS THAT WERE OPENED WITHIN ONE YEAR OF THE DATE THAT THE PATIENT QUALIFIED FOR CHARITY UNDER THIS POLICY

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	THE MUNSON HEALTHCARE BOARD OF DIRECTORS MAINTAINS A STANDING COMMUNITY HEALTH COMMITTEE CHC TO SERVE THE MUNSON HEALTHCARE MHC SYSTEM THE CHC CONSISTS OF MUNSON HEALTHCARE BOARD MEMBERS FROM MUNSON HEALTHCARE HOSPITALS AND OTHER INTERESTED AREA PHYSICIANS AND COMMUNITY MEMBERS APPOINTED BY THE MUNSON HEALTHCARE BOARD CHAIRPERSON THE CHC MEETS AT LEAST QUARTERLY TO REVIEW EXISTING PROGRAMS AND SERVICES RELATED TO CURRENT COMMUNITY HEALTH NEEDS CONSIDER THE MHC RESPONSE TO ANY EMERGING HEALTH TRENDS AS IDENTIFIED BY COMMUNITY HEALTH NEEDS ASSESSMENT AND REVIEW ANY NEW COMMUNITY HEALTH BASED COLLABORATION OR PROGRAM THE CHC IS RESPONSIBLE FOR COMMUNICATING INTERNALLY AND EXTERNALLY THE SIGNIFICANCE OF MHC COMMUNITY BENEFIT PROGRAMS AND SERVICES THIS COMMITTEE IS SUPPORTED BY A COMMUNITY HEALTH DEPARTMENT OF MUNSON MEDICAL CENTER MUNSON MEDICAL CENTER MMC IS A SIGNIFICANT CONTRIBUTOR TO REGIONAL EFFORTS THAT ASSESS THE HEALTH STATUS OF THE TOTAL POPULATION WITHIN OUR EXTENSIVE GEOGRAPHICAL AREA COMMUNITY HEALTH ASSESSMENT IS AN IMPORTANT COMPONENT OF A COMMUNITY HEALTH IMPROVEMENT STRATEGY AS IT PROVIDES GUIDANCE AS TO WHERE EFFORTS SHOULD BE CONCENTRATED AS WELL AS WHERE PROGRESS HAS BEEN MADE THE DATA DOCUMENTED THROUGH AN ASSESSMENT SERVES AS A USEFUL REFERENCE FOR PROGRAM AND RESOURCE DEVELOPMENT EFFORTS COMMUNITYWIDE MUNSON IS PREPARING A COMMUNITY NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY TO MEET THE REQUIREMENTS OF IRC SEC 501R WHICH WILL BE CONDUCTED IN FISCAL 2013 IN ACCORDANCE WITH THE PLANS OF THE COMMUNITY HEALTH COMMITTEE OF THE BOARD ADDITIONALLY MUNSON WORKS IN CONJUNCTION WITH COMMUNITY COLLABORATIVES IN FIVE COUNTIES ANTRIM BENZIE GRAND TRAVERSE LEELANAU AND KALKASKA THE TRAVERSE CITY CHAMBER OF COMMERCE THE LOCAL UNITED WAY THE POVERTY REDUCTION INITIATIVE FOUR LOCAL PUBLIC HEALTH DEPARTMENTS AND OTHER REGIONAL ASSOCIATIONS TO MAINTAIN CURRENT UNDERSTANDING OF COMMUNITY NEED

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	IT IS THE GOAL OF MUNSON HEALTHCARE TO COMMUNICATE AND EDUCATE PATIENTS AND THE PUBLIC REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE THIS IS ACHIEVED THROUGH ONE OR MORE OF THE FOLLOWING METHODS INFORMATION BROCHURES AVAILABLE AT THE REGISTRATION DESKS BROCHURES THAT DESCRIBE MUNSON HEALTHCARES FINANCIAL ASSISTANCE PROGRAM ARE AVAILABLE AT ALL REGISTRATION SITES THE BROCHURE HAS CLEAR INFORMATION ON HOW TO CONTACT A FINANCIAL COUNSELOR STATEMENT ON BILLS STATEMENTS INCLUDE VERBIAGE THAT INSTRUCTS THE PATIENT TO CALL PATIENT FINANCIAL ASSISTANCE IF THEY NEED HELP WITH THEIR BILL SIGNS IN THE ER REGISTRATION AREA ADVISES THE PATIENTS THAT THEIR CARE IS NOT WITHHELD IF THEY HAVE NO INSURANCE OR MEANS TO PAY REFERRAL BY REGISTRATION STAFF AT THE TIME OF REGISTRATION SELF-PAY PATIENTS OR ANY PATIENT THAT MAY HAVE CONCERNS REGARDING THEIR UPCOMING ADMISSION IS REFERRED TO THE FINANCIAL COUNSELING STAFF MUNSON MEDICAL CENTER FINANCIAL COUNSELORS ARE AVAILABLE TO TALK WITH PATIENTS ABOUT THEIR FINANCIAL CONCERNS THE COUNSELORS VISIT ALL INPATIENTS THAT ARE DEEMED SELF-PAY TO SEE IF THEY HAVE CONCERNS AND TO DETERMINE IF THEY WOULD LIKE HELP IF THE PATIENT WOULD LIKE HELP THE COUNSELORS GATHER INCOME INFORMATION AND SCREEN THE PATIENT FOR MEDICAID GENERALLY THESE TWO ACTIONS WILL DETERMINE WHAT PROGRAM THE PATIENT MIGHT QUALIFY FOR ONCE THE COUNSELOR DETERMINES WHAT THE PATIENT MAY QUALIFY FOR THE COUNSELOR EDUCATES THE PATIENT ON THE AVAILABLE PROGRAMS AND ASSISTS THEM WITH COMPLETING THE APPROPRIATE APPLICATIONS THE COUNSELORS ALSO IDENTIFY ALL SELF-PAY OUTPATIENTS AND GO THROUGH THE SAME PROCESS ONLY BY PHONE THE GOAL IS TO TALK WITH PATIENTS PRIOR TO ADMISSION BUT WHEN THAT IS NOT POSSIBLE THE CALL IS MADE SOON AFTER DISCHARGE AVAILABLE PROGRAMS INCLUDE BUT ARE NOT LIMITED TO MEDICAID AND ALL OF ITS SUBSETS SOCIAL SECURITY DISABILITY TRAVERSE HEALTH CLINIC MUNSON HEALTHCARE FINANCIAL ASSISTANCE AND MUNSON MEDICAL CENTER MEDS PROGRAM

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	MUNSON MEDICAL CENTER DESCRIPTION MUNSON MEDICAL CENTER MMC IS THE LARGEST HOSPITAL IN NORTHERN LOWER MICHIGAN WITH 391 LICENSED ACUTE CARE BEDS ONE OF SEVEN HOSPITALS IN THE MUNSON HEALTHCARE SYSTEM MMC PROVIDES MORE THAN 300000 ANNUAL PATIENT VISITS MMC SERVES APPROXIMATELY 23800 INPATIENTS HAS 2000 OBSTETRICAL BIRTHS AND 48000 EMERGENCY ROOM PATIENTS EVERY YEAR MMC IS ALSO THE LARGEST EMPLOYER IN NORTHERN MICHIGAN DUE TO ITS GEOGRAPHIC LOCATION AND COMPREHENSIVE ARRAY OF SERVICES OFFERED MMC HAS BEEN NAMED A RURAL REFERRAL CENTER BY THE CENTERS FOR MEDICARE AND MEDICAID MMC IS ALSO RECOGNIZED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES CMS AS A SOLE COMMUNITY HOSPITAL BECAUSE OF THIS STATUS IT IS EQUIPPED TO PROVIDE CRITICAL CARE FOR PATIENTS IN 24 COUNTIES HOSPITAL SERVICES MUNSON MEDICAL CENTER PROVIDES SERVICES IN 33 DIFFERENT MEDICAL SPECIALTIES AND OFFERS A WIDE RANGE OF INPATIENT AND OUTPATIENT SERVICES INCLUDING CARDIAC SURGERY CARDIAC CATHETERIZATION RADIATION ONCOLOGY NEONATAL INTENSIVE CARE AND COMPREHENSIVE EMERGENCY SERVICES MUNSON MEDICAL CENTER IS A LEVEL II TRAUMA CENTER AND IS THE ONLY RECOGNIZED TRAUMA CENTER IN MICHIGANS REGION 7 WHICH COVERS 17 COUNTIES SPECIALIZED INPATIENT UNITS AVAILABLE AT MMC INCLUDE MEDICALSURGICAL INTENSIVE CARE CARDIAC INTENSIVE CARE NEONATAL INTENSIVE CARE ONCOLOGY MENTAL HEALTH AND PHYSICAL MEDICINE AND REHABILITATION A BROAD SPECTRUM OF DIAGNOSTIC AND THERAPEUTIC SERVICES SUPPORTS MMCS PROGRAMS THE SERVICES AVAILABLE TO INPATIENTS AND OUTPATIENTS CONSIST OF RADIOLOGY INCLUDING MRI CT SCAN PET SCAN ULTRASOUND NUCLEAR MEDICINE AND RADIATION THERAPY COMPUTERIZED LABORATORY REHABILITATION SERVICES INCLUDING PHYSICAL OCCUPATIONAL AND SPEECH AND HEARING THERAPY CARDIAC CATHETERIZATION COMPREHENSIVE CANCER TREATMENT OBSTETRIC CLINIC FOR INDIGENT PATIENTS MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES HOME HEALTH DME AND DIALYSIS SERVICES AND COMPLEX SURGERY SUCH AS VASCULAR AND NEUROSURGERY AS WELL AS LESS COMPLEX SAMEDAY SURGERY POPULATION SERVED BY MUNSON MEDICAL CENTER MMC SERVES PATIENTS FROM 24 COUNTIES IN NORTHERN LOWER MICHIGAN AND THE EASTERN PORTION OF THE UPPER PENINSULA A POPULATION BASE OF APPROXIMATELY 580000 IN THE 11 COUNTY REGION IMMEDIATELY SURROUNDING MMC 184 OF THE POPULATION ARE 65 YEARS OR OLDER UNEMPLOYMENT IS 12 OR HIGHER ALMOST 23 OF ADULTS AGED 1864 YEARS OF AGE LACK HEALTH INSURANCE 58 OF BIRTHS ARE COVERED BY MEDICAID ABOUT 70 OF MMC INPATIENT DISCHARGES ORIGINATE FROM THE 5 COUNTIES IN CLOSEST PROXIMITY TO MMC ANTRIM BENZIE GRAND TRAVERSE LEELANAU AND KALKASKA QUALITY MUNSON MEDICAL CENTER HAS WON NUMEROUS AWARDS FOR OUTSTANDING CLINICAL QUALITY CARE HEALTH GRADES 5 STAR RATING FOR CARDIAC STROKE ORTHOPEDIC PULMONARY CARE AMERICAS 50 BEST HOSPITALS OUTSTANDING PATIENT EXPERIENCE HOSPITAL TOP 100 HOSPITAL 12 TIMES ONLY 2 OTHER HOSPITALS NATIONWIDE HAVE BEEN SO RECOGNIZED 2008 AMERICAN HOSPITAL ASSOCIATION MCKESSON QUEST FOR QUALITY PRIZE AMERICAN NURSES CREDENTIALING CENTER MAGNET HOSPITAL 3 OF HOSPITALS NATIONWIDE QUALIFY

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	THE MUNSON MEDICAL CENTER BOARD OF TRUSTEES IS MADE UP OF COMMUNITY MEMBERS ALL OF WHOM RESIDE IN THE HOSPITALS PRIMARY SERVICE AREA THESE INDIVIDUALS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SUBJECT TO CREDENTIALING REVIEW AND REQUIREMENTS OF THE MEDICAL STAFF AND THE BOARD OF TRUSTEES MUNSON MEDICAL CENTER UTILIZES SURPLUS FUNDS TO MAINTAIN ACCESS TO PATIENT SERVICES AND IMPROVE CARE TO PATIENTS THROUGHOUT ITS SERVICE AREA EXAMPLES OF HOW MUNSON MEDICAL CENTER PROMOTES THE HEALTH OF THE COMMUNITY THROUGH PROGRAMS INCLUDE HEALTHY FUTURES A PARTNERSHIP OF AREA HEALTH CARE PROVIDERS HEALTH DEPARTMENTS AND MUNSON HEALTHCARE CREATED TO IMPROVE THE HEALTH OF PREGNANT WOMEN AND CHILDREN UP TO AGE FIVE THE PROGRAM INCLUDES CENTRAL ACCESSDATA MANAGEMENT REGISTERED NURSE RN CARE COORDINATION EDUCATIONAL MAILINGS AND HEALTH CARERELATED FINANCIAL ASSISTANCE THE HEALTHY FUTURES MODEL OF RN CARE COORDINATION CONSISTS OF AN OUTCOMESBASED APPROACH TO INTERVENTION IN THE AREAS OF BREASTFEEDING LONGEVITY ACCESS TO HEALTH CARE AND IMMUNIZATIONS MEDS PROGRAM A PROGRAM THAT PROVIDES TO PATIENTS WITHOUT RESOURCES BEING DISCHARGED FROM THE HOSPITAL NEEDED MEDICATIONS AS WELL AS ENROLLING THOSE PATIENTS INTO PHARMACEUTICAL COMPANY SPONSORED ASSISTANCE PROGRAMS SO THEY MAY CONTINUE TO GET THE NEEDED PHARMACEUTICALS THE MEDS PROGRAM ALSO PROVIDES ASSISTANCE TO THOSE NEEDING MEDICATIONS FROM THE OUTPATIENT INFUSION CLINIC POVERTY REDUCTION INITIATIVE PRI A COLLABORATIVE GROUP OF ORGANIZATIONS AND INDIVIDUALS WORKING TO ADDRESS ISSUES OF POVERTY IN THE FIVE COUNTY SERVICE AREA OF MUNSON MEDICAL CENTER PROJECTS SUPPORTED BY THE PRI WORK GROUPS INCLUDE EFFORTS TO EXPAND ACCESS TO MEDICAL AND DENTAL CARE JOB TRAINING OPPORTUNITIES JOB RETENTION COMMUNITY RESOURCE MOBILIZATION AND DATA COLLECTION MUNSONS INVOLVEMENT IN PRI INCLUDES MEMBERSHIP ON THE ADVISORY COUNCIL STEERING COMMITTEE AND NAVIGATING WORKGROUP NORTHERN MICHIGAN DIABETES INITIATIVE NMDI A GROUP OF STAKEHOLDERS AND STEERING COMMITTEE MEMBERS THAT REPRESENT THE 12 COUNTY SERVICE AREA WITH A VISION TO IMPROVE THE CHRONIC CARE MANAGEMENT OF DIABETES NMDI IS COMMITTED TO PROVIDING LOCAL REGIONAL AND NATIONAL RESOURCES FOR THE PREVENTION AND MANAGEMENT OF DIABETES WHILE MOST DIABETES COLLABORATIVES FOCUS ON PROVIDING OPTIMAL EVIDENCE BASED CARE MANAGEMENT TO THE PERSON ALREADY DIAGNOSED WITH DIABETES NMDI FOCUSES ON CONCURRENT UPSTREAM TARGETED EDUCATION OF THREE SPECIFIC POPULATIONS THE GENERAL COMMUNITY THE SOCIOECONOMICALLY CHALLENGED HIGH RISK POPULATION AND RURAL PRIMARY CARE PROVIDERS PCP CARING FOR DIABETIC PATIENTS COLLABORATION WITH THE TRAVERSE HEALTH CLINIC THE TRAVERSE HEALTH CLINIC THC OPERATING UNDER AN INDIGENT CARE AGREEMENT UTILIZING MUNSON MEDICAL CENTERS DSH CAPACITY PROVIDES ACCESS TO HEALTH SERVICES THROUGH COMMUNITY COLLABORATION TO PEOPLE IN NEED IN BENZIE LEELANAU AND GRAND TRAVERSE COUNTIES THC SERVES AS A PRIMARY CARE PROVIDER FOR THOSE WITH MEDICAID AND RUNS THE COALITION HEALTH ACCESS PROGRAM CHAP FOR THOSE ADULTS WITH NO INSURANCE WHO QUALIFY MUNSON DONATES TO THC THROUGH INKIND DONATIONS OF MEDICATIONS AND STAFFING GRANTS ETC WHILE NOT COUNTABLE AS MUNSON COMMUNITY BENEFIT MANY MUNSON EMPLOYEES ALSO VOLUNTEER THEIR TIME PROVIDING CARE AT THE THC MEDICAL EDUCATION THE MUNSON FAMILY PRACTICE RESIDENCY PROGRAM INTEGRATES OSTEOPATHIC AND ALLOPATHIC MEDICINE TOGETHER WITH THE RESOURCES OF MUNSON MEDICAL CENTER THIS DUALY ACCREDITED 555 PROGRAM ACCEPTS BOTH DO AND MD TRAINEES THE PROGRAM IS AFFILIATED WITH THE MICHIGAN STATE UNIVERSITY MMC ALSO PARTNERS WITH SEVERAL COLLEGES AND SCHOOLS OF NURSING TO PROVIDE INTERNSHIPS AND CLINICAL EXPERIENCES FOR REGISTERED NURSES RESPIRATORY THERAPISTS PHARMACISTS AND OTHER HEALTH PROFESSIONALS

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE INFORMATION	PART VI	MUNSON MEDICAL CENTERS SOLE CORPORATE MEMBER IS MUNSON HEALTHCARE A 501C3 CORPORATION THE MUNSON HEALTHCARE SYSTEM CONSISTS OF A MAJOR TERTIARY REFERRAL HOSPITAL SEVERAL RURALBASED MEDICAL CENTERS EXTENSIVE OUTPATIENT TREATMENT AND REHABILITATION FACILITIES AND ANCILLARY EMERGENCY TRANSPORTATION AND HOMEBASED MEDICAL SERVICES THAT COVER 24 COUNTIES IN MICHIGANS NORTHERN LOWER PENINSULA AND THE EASTERN PORTION OF THE UPPER PENINSULA THE MOST SIGNIFICANT OF THE MUNSON HEALTHCARE SUBSIDIARIES IS MUNSON MEDICAL CENTER MMC MMC IS ONE OF SEVEN NOTFORPROFIT HOSPITALS WHICH ARE AFFILIATED WITH EACH OTHER AND SERVE AS THE ONLY HOSPITALS IN THEIR COMMUNITIES EACH OF THE AFFILIATED HOSPITALS HAS INDIVIDUAL COMMUNITY HEALTH INITIATIVES ANDOR PROMOTION ACTIVITIES AS WELL AS SHARED INITIATIVES MMC WORKS IN COOPERATION WITH OTHER ENTITIES IN THE MUNSON HEALTHCARE SYSTEM TO PROVIDE A FULL RANGE OF HEALTH SERVICES TO THE COMMUNITIES IN ITS SERVICE AREA THE HOME HEALTH DIVISION OF MUNSON HEALTHCARE PROVIDES HOME NURSE AND AIDE SERVICES IN ADDITION TO DURABLE MEDICAL EQUIPMENT AND A PALLIATIVE CARE AND HOSPICE PROGRAM ON THE MUNSON CAMPUS CLOSE TO 300000 DOLLARS IN COMMUNITY BENEFIT IN THE FORM OF CHARITY CARE AND UNREIMBURSED MEDICAID ARE PROVIDED THROUGH THIS DIVISION EACH YEAR NORTH FLIGHT INC IS THE CHARITABLE TRANSPORTATION ENTITY IN THE SYSTEM WITH ITS FIXED WING AND HELICOPTER AIR SERVICES IN COMBINATION WITH GROUND TRANSPORT PATIENTS IN THE SYSTEM ARE ABLE TO ACCESS APPROPRIATE CARE NORTH FLIGHT INC PROVIDED 12 MILLION IN CHARITY CARE AND UNREIMBURSED MEDICAID IN THE PAST FISCAL YEAR MUNSON MEDICAL GROUP THE EMPLOYED PHYSICIAN ORGANIZATION IN THE SYSTEM PROVIDED OVER A HALF MILLION DOLLARS IN CHARITY CARE AND COMMUNITY BENEFIT IN TAX YEAR 2011 MMC PERFORMS THE NEEDS ASSESSMENTS FOR MUNSON HEALTHCARE UTILIZING THIS NEEDS ASSESSMENT MUNSON HEALTHCARE COORDINATES COMMUNITY BENEFIT PROGRAMS THROUGH PLANNING DEVELOPING IMPLEMENTING EVALUATING AND FUNDING PROGRAMS THAT ADDRESS COMMUNITY NEEDS IN TOTAL THE MUNSON HEALTHCARE SYSTEM PROVIDED 399 MILLION IN CHARITY CARE AND COMMUNITY BENEFITS INCLUDING NUMEROUS UNCOMPENSATED COMMUNITY HEALTH IMPROVEMENT SERVICES AND PROGRAMS OUTREACH PROGRAMS BAD DEBT AND UNREIMBURSED MEDICARE AND MEDICAID SERVICES TO NORTHERN MICHIGAN

Identifier	ReturnReference	Explanation
MUNSON MEDICAL CENTER LINE NUMBER 1 PART V LINE 11H	PART V LINE 11H	PATIENTS WHOSE FAMILY INCOME EXCEEDS 400 OF THE FPG MAY BE ELIGIBLE TO RECEIVE DISCOUNTED RATES ON A CASEBYCASE BASIS BASED ON THEIR SPECIFIC CIRCUMSTANCES IE HIGH DEBTTOINCOME RATIO AT THE SOLE DISCRETION OF MUNSON HEALTHCARE

Identifier	ReturnReference	Explanation
MUNSON MEDICAL CENTER LINE NUMBER 1 PART V LINE 13G	PART V LINE 13G	IT IS THE GOAL OF MUNSON HEALTHCARE TO COMMUNICATE TO THE PATIENTS AND TO THE PUBLIC THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THOSE WHO QUALIFY THIS WILL BE ACHIEVED THROUGH ONE OR MORE OF THE FOLLOWING METHODS INFORMATION BROCHURES AVAILABLE AT THE REGISTRATION DESKS INFORMATION POSTED ON THE WEBSITE STATEMENT ON BILLS ANDOR SIGNS IN THE REGISTRATION AREAS

Identifier	ReturnReference	Explanation
MUNSON MEDICAL CENTER LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	SELPAYNO INSURANCE PATIENTS ARE GIVEN A DISCOUNT EQUAL TO 15 OFF THEIR TOTAL BILL FOR ALL MEDICALLY NECESSARY AND EMERGENCY SERVICES THIS RATE WAS DETERMINED BY TAKING THE AVERAGE OF COMMERCIAL RATES NOT INCLUDING BLUE CROSS

Additional Data

Software ID:
Software Version:
EIN: 38-1362830
Name: MUNSON MEDICAL CENTER

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

[illegible]

**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

2011

Open to Public Inspection

Employer identification number
38-1362830

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

[illegible]

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

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
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
(1) MEDICAL INSURANCE PAYMENT	74	15,861			
(2) TRANSPORT, HOUSING, WIGS	114	68,497			
(3) MEDICAL, TRANSPORT & DRUG	78	12,766			
(4) MAMMOGRAPHY ASSISTANCE	384	20,441			
(5) TRANSPORT, HOUSING, FOOD	655	44,884			
(6) CAR SEAT INSPECT & HELMET	9424		55,692	FMV	SERVICE & SUPPL
(7) HOUSING ASSISTANCE	48	34,930			

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
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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
MUNSON MEDICAL CENTER

Employer identification number
38-1362830

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>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</div></div>		
<div><div>2</div><div>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?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>		No
<div><div>8</div><div>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</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

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) EDWIN A NESS	(i)	21,920		71	1,083	774	23,848	
	(ii)	548,165	150,241	1,409	218,655	20,072	938,542	
(2) MARK A HEPLER	(i)							
	(ii)	228,393	25,779	68,663	27,822	20,647	371,304	20,253
(3) PAUL M SHIRILLA	(i)							
	(ii)	259,620	29,778	3,811	31,773	15,369	340,351	
(4) KATHLEEN MCMANUS	(i)	253,836						
	(ii)		37,638	1,093	30,882	15,022	338,471	
(5) DAVID MCGREAHAM MD	(i)	246,704						
	(ii)		26,598	19,017	31,270	18,015	341,604	
(6) CHRISTOPHER PODGES	(i)	236,655						
	(ii)		22,680	1,543	28,833	22,086	311,797	
(7) MARK R ANTHONY	(i)	174,837						
	(ii)		21,128	34,517	10,490	10,605	251,577	
(8) SUZANNE K PETERS	(i)	155,995						
	(ii)		17,351	26,995	19,896	14,372	234,609	3,182
(9) JAMES P FISCHER	(i)	170,964						
	(ii)		17,501	3,045	20,656	5,756	217,922	
(10) THOMAS SCHERMERHORN MD	(i)	787,299						
	(ii)		53,952	805	11,029	21,317	874,402	
(11) AHMET SEVIMLI MD	(i)	325,183						
	(ii)		6,565	16,696	19,511	20,011	387,966	
(12) PHILOMENA COLUCCI	(i)	258,687						
	(ii)		40,000	8,516	11,902	6,208	325,313	
(13) DAVID B MARTIN MD	(i)	235,596						
	(ii)		10,071	16,103	14,136	14,591	290,497	
(14) KAREN SPEIRS DO	(i)	241,487						
	(ii)		8,788	1,348	12,291	2,811	266,725	

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
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	EDWIN A. NESS 0 206,806 0 MARK A. HEPLER 0 14,118 0 PAUL M. SHIRILLA 0 16,196 0 KATHLEEN MC MANUS 0 15,652 0 DAVID MCGREAHAM, MD 0 16,468 0 CHRISTOPHER PODGES 0 14,634 0 SUZANNE K. PETERS 0 10,536 0 JAMES P. FISCHER 0 10,398 0
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	EXECUTIVE SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS. SUBJECT TO REVIEW AND APPROVAL BY THE BOARD COMPENSATION AND EXECUTIVE LEADERSHIP COMMITTEE, IN ORDER TO RECRUIT AND MAINTAIN QUALIFIED EXECUTIVES, INCLUDING THE PRESIDENT AND VICE-PRESIDENTS, A COMPETITIVE BENEFIT PACKAGE IS OFFERED WHICH INCLUDES PARTICIPATION IN A NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN. FOR THE PRESIDENT, THE PLAN PROVIDES A TARGETED BENEFIT AT AGE 62. ANNUAL CONTRIBUTIONS, AT MUNSON'S DISCRETION, ARE MADE TO THE PLAN IN ORDER TO ACHIEVE THE TARGETED RETIREMENT BENEFIT LEVEL. VICE-PRESIDENTS ARE ELIGIBLE TO PARTICIPATE IN AN AMOUNT NOT TO EXCEED 6% OF BASE COMPENSATION, FUNDED ANNUALLY, AT THE SOLE DISCRETION OF MUNSON. THESE FUNDS ARE AVAILABLE TO VESTED PARTICIPANTS UPON SEPARATION OF EMPLOYMENT FROM MUNSON. EXECUTIVE SEVERANCE PLAN. SUBJECT TO REVIEW AND APPROVAL BY THE BOARD COMPENSATION AND EXECUTIVE LEADERSHIP COMMITTEE, IN ORDER TO RECRUIT AND MAINTAIN QUALIFIED EXECUTIVES, A COMPETITIVE BENEFIT PACKAGE IS OFFERED TO THE PRESIDENT AND VICE-PRESIDENTS WHICH INCLUDES A SEVERANCE PLAN. MUNSON HAS A SEVERANCE PLAN FOR THE PRESIDENT AND THE VICE-PRESIDENT/EXECUTIVE LEVEL POSITIONS WHICH PROVIDES FOR THE PRESIDENT UP TO TWO YEARS OF PAY IN THE EVENT EMPLOYMENT ENDS UNDER CERTAIN CONDITIONS AND FOR VICE PRESIDENTS, UP TO ONE-YEAR OF PAY IN THE EVENT EMPLOYMENT ENDS UNDER CERTAIN CONDITIONS. THE PLAN PROVIDES FOR A 50% OFFSET FOR SUBSEQUENT EMPLOYMENT DURING THE SEVERANCE PERIOD. MEDICAL BENEFITS ARE PROVIDED DURING THE SEVERANCE PERIOD.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.</div>										OMB No 1545-0047	
											2011	
	Department of the Treasury Internal Revenue Service	Name of the organization MUNSON MEDICAL CENTER										Employer identification number 38-1362830

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CTY GRD TRAVSE HOSP FIN AUTH 2011	38-6004832	386523EE0	08-10-2011	128,728,067	REFUND PRIOR BONDS		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds defeased								
3	Total proceeds of issue	128,728,067							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	1,756,787							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds	126,970,633							
12	Other unspent proceeds	648							
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	CTY GRD TRAVSE HOSP FIN AUTH 2011 THE SERIES 2011A 2011B AND 2011C BONDS WERE ISSUED TO PURCHASE AND CANCEL TENDERED BONDS TENDERED DURING A TENDER PROGRAM INITIATED BY MUNSON HEALTHCARE THE TENDERED BONDS INCLUDED COUNTY OF GRAND TRAVERSE HOSPITAL AUTHORITY MUNSON HEALTHCARE OBLIGATED GROUP HOSPITAL REVENUE AND REFUNDING BONDS SERIES 1998A ISSUED 9198 REVENUE BONDS SERIES 2001A ISSUED 1901 REVENUE REFUNDING BONDS SERIES 2002A ISSUED 91702 REVENUE REFUNDING BONDS SERIES 2005A ISSUED 11305 AND REVENUE BONDS SERIES 2005B ISSUED 11305
ADDITIONAL INFORMATION	SCHEDULE K	CTY GRD TRAVSE HOSP FIN AUTH 2011 ISSUE COUNTY OF GRAND TRAVERSE HOSPITAL FINANCE AUTHORITY REVENUE REFUNDING BONDS MUNSON HEALTHCARE OBLIGATED GROUP SERIES 2011 PART III QUESTION 3C AND D MUNSON MEDICAL CENTER MAINTAINS POLICIES AND PROCEDURES TO REVIEW AND MONITOR ALL CONTRACTS INCLUDING LEASES AND RESEARCH CONTRACTS THE REVIEW PROCESS INCLUDES A REVIEW BY THE INTERNAL LEGAL DEPARTMENT OUTSIDE COUNSEL MAY BE CONSULTED AS NECESSARY OUTSIDE COUNSEL IS RETAINED FOR ALL NEW EXEMPT BOND OFFERINGS DURING WHICH A THOROUGH DUE DILIGENCE PROCESS REVIEWS APPLICABLE CONTACTS SINCE NEW BONDS WERE ISSUED IN 2011 OUTSIDE COUNSEL WAS ENGAGED PART III QUESTION 7 AND PART V MUNSON MEDICAL CENTER MAINTAINS POLICIES AND PROCEDURES TO ENSURE THE POSTISSUANCE COMPLIANCE OF ITS TAXEXEMPT BOND LIABILITIES SUBSEQUENT TO 2011 YEAREND MUNSON MEDICAL CENTER FORMALLY ADOPTED POLICIES TO INCLUDE REMEDIAL ACTION AVAILABLE TO CORRECT NONCOMPLIANCE IN ACCORDANCE WITH TREASURY REGULATION 114112 AND 11452

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
MUNSON MEDICAL CENTER

Employer identification number
38-1362830

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MEGAN COX	FAMILY OF TRUST	53,284	RELATED FAMILY COMP		No
(2) HOSPITALISTS OF NORTHWEST MI	OWNER ISTRUSTEE	4,636,881	GROUP PRACTICE PHYSI		No
(3) MUNSON SUPPORT SERVICES	E NESS TRUSTEE	2,111,287	LAUNDRY SERVICES		No
(4) MUNSON SERVICES INC	C PODGESTRUSTEE	2,206,069	CONTRACT EMPLOYEES		No
(5) PULMONARY AND CRITICAL CARE PHYSICI	OWNER ISTRUSTEE	1,388,475	GROUP PRACTICE PHYSI		No
(6) GLORIA WOLF	FAMILY OF TRUST	73,841	RELATED FAMILY COMP		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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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 MUNSON MEDICAL CENTER	Employer identification number 38-1362830
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Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	MUNSON MEDICAL CENTER IS ORGANIZED ON A NONSTOCK MEMBERSHIP BASIS THE SOLE MEMBER IS MUNSON HEALTHCARE, AN IRS SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION IN THE EVENT OF DISSOLUTION, MUNSON MEDICAL CENTER'S NET ASSETS WOULD BE DISTRIBUTED TO MUNSON HEALTHCARE

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	FOUR TRUSTEES OF MUNSON MEDICAL CENTER ARE DIRECTORS OF MUNSON HEALTHCARE OTHER TRUSTEES ARE CHOSEN FROM AMONG THOSE NOMINATED BY THE GOVERNANCE COMMITTEE

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	CERTAIN DECISIONS OF THE MUNSON MEDICAL CENTER (MMC) TRUSTEES ARE APPROVED BY THE MUNSON HEALTHCARE BOARD OF DIRECTORS INCLUDING ADOPTION, AMENDMENT, RESTATEMENT OR REPEAL OF THE ARTICLES OF INCORPORATION OR BYLAWS OF MMC, ADOPTION, EXECUTION, REVOCATION OR ABANDONMENT OF A PLAN OF DISSOLUTION, MERGER, CONSOLIDATION, OR REORGANIZATION INVOLVING MMC, SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF MMC, ACQUISITION OF OR THE ESTABLISHMENT OF ANY SUBSIDIARY OR AFFILIATE OF MMC, ADOPTION OF ALL OPERATING BUDGETS AND CAPITAL EXPENDITURE BUDGETS FOR MMC, INCURRENCE OF OPERATING OR CAPITAL EXPENDITURES BY MMC WHICH CAUSE THE AGGREGATE OPERATING OR CAPITAL EXPENDITURES TO EXCEED BUDGETED AGGREGATES BY MORE THAN FIVE PERCENT (5%) IN ANY FISCAL YEAR, INCURRENCE OF SECURED BORROWINGS OF MMC, WITH THE EXCEPTION OF EQUIPMENT LEASES AND PURCHASE MONEY SECURITY INTERESTS APPROVED AS PART OF MMC'S BUDGET, ADOPTION OR CHANGE IN THE MISSION STATEMENT, PURPOSES OR THE STRATEGIC GOALS OF MMC, CHANGING SUBSTANTIALLY THE SCOPE OF MMC'S CLINICAL SERVICES AND PROGRAMS OFFERED BY MMC, AND APPOINTMENT OR REMOVAL THE PRESIDENT OF MMC

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE MUNSON MEDICAL CENTER BOARD IS COMMITTED TO THE ACCURACY AND THOROUGHNESS OF THE FORM 990 REPORTING. MUNSON MEDICAL CENTER BELONGS TO THE MUNSON HEALTHCARE SYSTEM. MUNSON HEALTHCARE IS THE PARENT COMPANY IN THE MUNSON HEALTHCARE SYSTEM, WHICH UNDERGOES AN AUDIT BY AN EXTERNAL AUDIT FIRM. AT THE CORPORATE LEVEL, THE RESPONSIBLE INDIVIDUALS FROM THE FINANCE, ADMINISTRATION, PATIENT FINANCIAL SERVICES, LEGAL, HUMAN RESOURCES, PUBLIC RELATIONS, AND FUND DEVELOPMENT DEPARTMENTS PREPARE AND REVIEW PORTIONS OF THE FORM 990. THE COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE REVIEWS THE COMPENSATION INFORMATION CONTAINED IN THE CORE FORM AS WELL AS THE SCHEDULE J INFORMATION. THE CONFLICT, VALUATION AND COMPLIANCE COMMITTEE OVERSEES THE CONFLICT OF INTEREST DISCLOSURE PROCESS FOR BOARD MEMBERS AND KEY EMPLOYEES TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. THE AUDIT COMMITTEE OVERSEES THE FORM 990 PREPARATION PROCESS BY ENSURING PROPER CONTROLS, POLICIES, PEOPLE AND RESOURCES ARE IN PLACE TO PRODUCE AN ACCURATE RETURN.

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	THE MUNSON HEALTHCARE BOARD OF DIRECTORS (THE SYSTEM PARENT ORGANIZATION) HAS A STANDING CONFLICT, VALUATION AND COMPLIANCE ("CVC") COMMITTEE THE CVC COMMITTEE IS COMPOSED OF INDEPENDENT BOARD AND COMMUNITY MEMBERS THE CVC COMMITTEE IS DELEGATED AUTHORITY BY THE BOARD TO REVIEW AND APPROVE THE REASONABLENESS/FAIR MARKET VALUE OF FINANCIAL TRANSACTIONS/ARRANGEMENTS WITH DISQUALIFIED PERSONS ANNUALLY EACH BOARD MEMBER OF MUNSON HEALTHCARE AND ALL OF ITS SUBSIDIARY/CONTROLLED ENTITIES AND ALL MUNSON EXECUTIVES ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE/QUESTIONNAIRE THE RESPONSES TO THE DISCLOSURE/QUESTIONNAIRE ARE REVIEWED BY THE MUNSON LEGAL DEPARTMENT ANY FINANCIAL ARRANGEMENTS/POTENTIAL CONFLICTS IDENTIFIED THRU THE DISCLOSURE/QUESTIONNAIRES ARE PRESENTED TO THE CVC COMMITTEE FOR ITS REVIEW AND DETERMINATION AS TO THE REASONABLENESS/FAIR MARKET VALUE

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE PROCESS FOR DETERMINING APPROPRIATE LEVELS OF PAY FOR EXECUTIVE POSITIONS WITHIN MUNSON HEALTHCARE IS CAREFULLY AND THOUGHTFULLY DIRECTED BY THE BOARD OF DIRECTORS, THROUGH THE COMPENSATION AND EXECUTIVE LEADERSHIP DEVELOPMENT COMMITTEE THE COMMITTEE UTILIZES "BEST PRACTICES" METHODS OF DETERMINING COMPENSATION AND, AS SUCH, IS COMPOSED OF SEVEN MEMBERS WHOSE VOTING MEMBERS ARE INDEPENDENT THE COMMITTEE IS CHARGED WITH ENSURING THAT EXECUTIVE COMPENSATION IS DESIGNED TO ATTRACT AND RETAIN HIGH QUALITY, PROFESSIONAL LEADERSHIP WHILE MAINTAINING STRONG STEWARDSHIP FOR THE ORGANIZATION ANNUALLY, THE COMMITTEE RETAINS A NATIONAL INDEPENDENT CONSULTANT TO ENSURE THAT MHC'S COMPENSATION PRACTICES AND LEVELS ARE INDEPENDENTLY REVIEWED WHILE BEING COMPETITIVE AND REASONABLE COMPENSATION LEVELS REFLECT THE SCOPE OF EACH EXECUTIVE'S RESPONSIBILITIES, EDUCATIONAL BACKGROUND, EXPERIENCE, AND INDUSTRY STANDING AS WELL AS INDIVIDUAL AND ORGANIZATIONAL PERFORMANCE ANNUAL COMPENSATION FOR MUNSON EXECUTIVES IS DETERMINED IN PART BY MEASURABLE PROGRESS TOWARD THE ORGANIZATION'S GOALS INCLUDING CONTINUED IMPROVEMENT IN CLINICAL QUALITY, COMMUNITY HEALTH, AND OPERATIONAL EFFICIENCIES MUNSON HEALTHCARE'S INTENT FOR EXECUTIVE BASE COMPENSATION IS TO BE AT THE MEDIAN WHEN COMPARED TO LIKE-SIZE NON-PROFIT HOSPITALS AND HEALTHCARE SYSTEMS

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	COMPENSATION OF OTHER KEY EMPLOYEES IS CONSISTENT WITH THAT OF THE TOP EXECUTIVES FOR MUNSON MEDICAL CENTER

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE MUNSON MEDICAL CENTER ARTICLES OF INCORPORATION ARE AVAILABLE TO THE PUBLIC ON THE MICHIGAN DEPARTMENT OF TREASURY WEBSITE. MUNSON MEDICAL CENTER DOES NOT MAKE THE BYLAWS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC. ANNUALLY, MUNSON HEALTHCARE, PARENT CORPORATION, SUBMITS ITS ANNUAL CONSOLIDATED FINANCIAL STATEMENTS TO THE MSRB IN COMPLIANCE WITH BOND DISCLOSURE REQUIREMENTS. ADDITIONALLY, MUNSON MEDICAL CENTER PREPARES AND DISTRIBUTES AN ANNUAL REPORT TO THE COMMUNITY, WHICH CONTAINS FINANCIAL AS WELL AS PROGRAM DATA.

Identifier	Return Reference	Explanation
GROUP RETURN METHOD	FORM 990, PAGE 7, PART VII	PARENT ORGANIZATION HAS FILED A SEPARATE RETURN

Identifier	Return Reference	Explanation
RELATED ORGANIZATIONS	FORM 990, PAGE 7, PART VII	EDWIN A NESS WAS PRESIDENT OF MUNSON HEALTHCARE AND ALLOCATED 90% OF HIS TIME TO MUNSON HEALTHCARE SY STEM MATTERS AND 10% OF HIS TIME TO THE MUNSON HEALTHCARE REGIONAL FOUNDATION MARK HEPLER, CFO, ALLOCATES 40% OF HIS TIME TO MUNSON HEALTHCARE, SY STEM PARENT ORGANIZATION, 60% TO MUNSON MEDICAL CENTER, AND LESS THAN AN HOUR A WEEK TO THE REMAINING ORGANIZA TIONS IN THE MUNSON HEALTHCARE SY STEM IN HIS CAPACITY AS CFO FOR ALL MUNSON SY STEM ORGANIZATIONS PAUL M SHIRILLA, VICE PRESIDENT OF GENERAL COUNSEL FOR THE MUNSON HEALTHCARE SY STEM, ALLOCATES 85% OF HIS TIME TO SY STEM MATTERS AND 15% TO MUNSON MEDICAL CENTER KATHLEEN MCMANUS, SENIOR VICE PRESIDENT OF MUNSON MEDICAL CENTER, ALLOCATES 90% OF HER TIME TO MUNSON MEDICAL CENTER AND THE REMAINDER TO SY STEM ENTITIES MARK ANTHONY IS A VICE PRESIDENT FOR MUNSON MEDICAL CENTER AND ALLOCATES 95% OF THIS TIME TO THAT COMPANY HE DEVOTES APPROXIMATELY 2-3 HOURS A WEEK TO MUNSON MOBILE IMAGING AND GREAT LAKES MOBILE PET AS PRESIDENT OF BOTH ENTITIES

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	THE OTHER CHANGES IN NET ASSETS INCLUDE THE FOLLOWING ITEMS CHANGE IN MINIMUM PENSION LIABILITY (61,493,753) UNREALIZED LOSSES ON POOLED INVESTMENT ACCOUNTS (3,836,248) CHANGE IN VALUE OF INTEREST RATE SWAPS (4,060,853) CHANGE IN INVESTMENT VALUE OF ASSETS HELD AT THE FOUNDATION 6,388,898 LOSS ON EXTINGUISHMENT OF DEBT (491,045) TRANSFERS TO AFFILIATES (5,151,166) TOTAL (68,644,167)

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSON MEDICAL CENTER

Employer identification number
38-1362830

Part I

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

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

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) MUNSON MEDICAL BUILDING PARTNERS PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2830005	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	RELATED	264,979	1,809,871		No		Yes		56 540 %
(2) NORTHERN MICHIGAN SUPPLY ALLIANCE 2651 AERO PARK DR TRAVERSE CITY, MI 49686 38-3453378	PURCHASING	MI	N/A					No			No	
(3) MUNSON MEDICAL BUILDING PARTNERS PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2830005	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	RELATED	264,979	1,809,871		No		Yes		56 540 %
(4) NORTHERN MICHIGAN SUPPLY ALLIANCE 2651 AERO PARK DR TRAVERSE CITY, MI 49686 38-3453378	PURCHASING	MI	N/A					No			No	

Part IV

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

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

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

Yes

Yes

Yes

No

No

No

Yes

Yes

Yes

Yes

No

Yes

Yes

Yes

Yes

Yes

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

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

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
ADDITIONAL INFORMATION	SCHEDULE R	MUNSON MEDICAL CENTER USED THE ACCRUAL METHOD OF ACCOUNTING TO VALUE THE TRANSACTIONS WITH RELATED ENTITIES ALL INTERCOMPANY TRANSACTIONS WITH RELATED ENTITIES WERE REVIEWED SUMMARIZED AND RECONCILED TO DETERMINE THE DISCLOSURE AMOUNTS

Software ID:

Software Version:

EIN: 38-1362830

Name: MUNSON MEDICAL CENTER

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
MUNSON DIALYSIS CENTER 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-3097861	DIALYSIS	MI	(C)(3)	3	MUNSON HC MUNSON HEALTHCARE		No
MUNSON HEALTHCARE 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-2640544	HEALTHCARE	MI	(C)(3)	11B	N/A		No
MUNSON HEALTHCARE REGIONAL FOUNDATI 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-2642724	RAISE FUND	MI	(C)(3)	7	MUNSON HC MUNSON HEALTHCARE		No
MUNSON HOME CARE 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-2191390	HOME HEALT	MI	(C)(3)	9	MUN HOME H MUNSON HOME HEALTH		No
MUNSON HOME HEALTH 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-3335362	HOME HEALT	MI	(C)(3)	11B	MUNSON HC MUNSON HEALTHCARE		No
MUNSON HOME SERVICES 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-2543463	HOME HEALT	MI	(C)(3)	9	MUN HOME H MUNSON HOME HEALTH		No
NORTH FLIGHT INC 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-2657917	MED TRANSP	MI	(C)(3)	11B	MUNSON HC MUNSON HEALTHCARE		No
PAUL OLIVER MEMORIAL HOSPITAL 1105 SIXTH ST TRAVERSE CITY, MI 49684 38-1415623	HEALTHCARE	MI	(C)(3)	3	MUNSON HC MUNSON HEALTHCARE		No
PAUL OLIVER MEMORIAL HOSPITAL FOUND 1105 SIXTH ST TRAVERSE CITY, MI 49684 23-7201619	RAISE FUND	MI	(C)(3)	7	PAUL OLV H PAUL OLIVER MEMORIAL HOSPITAL		No
MUNSON MEDICAL GROUP 1105 SIXTH ST TRAVERSE CITY, MI 49684 27-3600575	PHYSICIAN	MI	(C)(3)	9	MUNSON MED MUNSON MEDICAL CENTER	Yes	

Form 990, Schedule R, Part IV - 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
MEDICAL OFFICE CONDOMINIUM MEDICAL OFFICE CONDOMINIUM PO BOX 1188 TRAVERSE CITY, MI 496851188 20-1902620	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	172,004	53,491	74 000 %
SIXTH STREET DRUGS PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2298290	PHARMACY	MI	N/A				
MUNSON SUPPORT SERVICES PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2872821	LAUNDRY	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	4,366,734	4,886,413	100 000 %
MUNSON SERVICES INC PO BOX 1188 TRAVERSE CITY, MI 496851188 38-3144382	PHARMACY	MI	N/A				
MEDICAL OFFICE BUILDING CONDOMINIUM MEDICAL OFFICE BUILDING CONDOMINIUM PO BOX 1188 TRAVERSE CITY, MI 496851188 38-3567278	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	62,275	19,117	78 000 %
MUNSON MOBILE IMAGING PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2704069	IMAGING	MI	N/A				
MEDICAL OFFICE CONDOMINIUM MEDICAL OFFICE CONDOMINIUM PO BOX 1188 TRAVERSE CITY, MI 496851188 20-1902620	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	172,004	53,491	74 000 %
SIXTH STREET DRUGS PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2298290	PHARMACY	MI	N/A				
MUNSON SUPPORT SERVICES PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2872821	LAUNDRY	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	4,366,734	4,886,413	100 000 %
MUNSON SERVICES INC PO BOX 1188 TRAVERSE CITY, MI 496851188 38-3144382	PHARMACY	MI	N/A				
MEDICAL OFFICE BUILDING CONDOMINIUM MEDICAL OFFICE BUILDING CONDOMINIUM PO BOX 1188 TRAVERSE CITY, MI 496851188 38-3567278	REAL ESTAT	MI	MUNSON MED MUNSON MEDICAL CENTER	C CORP	62,275	19,117	78 000 %
MUNSON MOBILE IMAGING PO BOX 1188 TRAVERSE CITY, MI 496851188 38-2704069	IMAGING	MI	N/A				

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(2)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(3)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(4)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(5)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(6)	MUNSON HEALTHCARE	B	4,100,000	FMV
(7)	MUNSON HEALTHCARE	L	1,428,288	FMV
(8)	MUNSON HEALTHCARE	N	698,791	FMV
(9)	MUNSON HEALTHCARE	O	2,503,939	FMV
(10)	MUNSON HEALTHCARE	P	6,592,892	FMV
(11)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(12)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(13)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(14)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(15)	MUNSON HOME CARE	I	131,304	FMV
(16)	MUNSON HOME CARE	K	65,871	FMV
(17)	MUNSON HOME CARE	P	12,438,424	FMV
(18)	MUNSON HOME HEALTH	I	58,800	FMV
(19)	MUNSON HOME HEALTH	O	70,955	FMV
(20)	MUNSON HOME HEALTH	P	1,996,655	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(21)	MUNSON HOME SERVICES	K	73,890	FMV
(22)	MUNSON HOME SERVICES	P	3,345,698	FMV
(23)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(24)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(25)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(26)	MUNSON MEDICAL GROUP	O	61,703	FMV
(27)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(28)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(29)	MUNSON MEDICAL GROUP	L	516,707	FMV
(30)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(31)	MUNSON SERVICES INC	K	107,388	FMV
(32)	MUNSON SERVICES INC	N	2,206,069	FMV
(33)	MUNSON SERVICES INC	O	74,750	FMV
(34)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(35)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(36)	NORTH FLIGHT INC	L	52,749	FMV
(37)	NORTH FLIGHT INC	P	6,406,734	FMV
(38)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(39)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(40)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(41)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(42)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(43)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(44)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(45)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(46)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(47)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(48)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(49)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(50)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(51)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(52)	MUNSON HEALTHCARE	B	4,100,000	FMV
(53)	MUNSON HEALTHCARE	L	1,428,288	FMV
(54)	MUNSON HEALTHCARE	N	698,791	FMV
(55)	MUNSON HEALTHCARE	O	2,503,939	FMV
(56)	MUNSON HEALTHCARE	P	6,592,892	FMV
(57)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(58)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(59)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(60)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(61)	MUNSON HOME CARE	I	131,304	FMV
(62)	MUNSON HOME CARE	K	65,871	FMV
(63)	MUNSON HOME CARE	P	12,438,424	FMV
(64)	MUNSON HOME HEALTH	I	58,800	FMV
(65)	MUNSON HOME HEALTH	O	70,955	FMV
(66)	MUNSON HOME HEALTH	P	1,996,655	FMV
(67)	MUNSON HOME SERVICES	K	73,890	FMV
(68)	MUNSON HOME SERVICES	P	3,345,698	FMV
(69)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(70)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(71)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(72)	MUNSON MEDICAL GROUP	O	61,703	FMV
(73)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(74)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(75)	MUNSON MEDICAL GROUP	L	516,707	FMV
(76)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(77)	MUNSON SERVICES INC	K	107,388	FMV
(78)	MUNSON SERVICES INC	N	2,206,069	FMV
(79)	MUNSON SERVICES INC	O	74,750	FMV
(80)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(81)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(82)	NORTH FLIGHT INC	L	52,749	FMV
(83)	NORTH FLIGHT INC	P	6,406,734	FMV
(84)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(85)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(86)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(87)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(88)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(89)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(90)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(91)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(92)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(93)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(94)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(95)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(96)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(97)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(98)	MUNSON HEALTHCARE	B	4,100,000	FMV
(99)	MUNSON HEALTHCARE	L	1,428,288	FMV
(100)	MUNSON HEALTHCARE	N	698,791	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(101)	MUNSON HEALTHCARE	O	2,503,939	FMV
(102)	MUNSON HEALTHCARE	P	6,592,892	FMV
(103)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(104)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(105)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(106)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(107)	MUNSON HOME CARE	I	131,304	FMV
(108)	MUNSON HOME CARE	K	65,871	FMV
(109)	MUNSON HOME CARE	P	12,438,424	FMV
(110)	MUNSON HOME HEALTH	I	58,800	FMV
(111)	MUNSON HOME HEALTH	O	70,955	FMV
(112)	MUNSON HOME HEALTH	P	1,996,655	FMV
(113)	MUNSON HOME SERVICES	K	73,890	FMV
(114)	MUNSON HOME SERVICES	P	3,345,698	FMV
(115)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(116)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(117)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(118)	MUNSON MEDICAL GROUP	O	61,703	FMV
(119)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(120)	MUNSON MEDICAL GROUP	N	2,420,780	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(121)	MUNSON MEDICAL GROUP	L	516,707	FMV
(122)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(123)	MUNSON SERVICES INC	K	107,388	FMV
(124)	MUNSON SERVICES INC	N	2,206,069	FMV
(125)	MUNSON SERVICES INC	O	74,750	FMV
(126)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(127)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(128)	NORTH FLIGHT INC	L	52,749	FMV
(129)	NORTH FLIGHT INC	P	6,406,734	FMV
(130)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(131)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(132)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(133)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(134)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(135)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(136)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(137)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(138)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(139)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(140)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(141)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(142)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(143)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(144)	MUNSON HEALTHCARE	B	4,100,000	FMV
(145)	MUNSON HEALTHCARE	L	1,428,288	FMV
(146)	MUNSON HEALTHCARE	N	698,791	FMV
(147)	MUNSON HEALTHCARE	O	2,503,939	FMV
(148)	MUNSON HEALTHCARE	P	6,592,892	FMV
(149)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(150)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(151)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(152)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(153)	MUNSON HOME CARE	I	131,304	FMV
(154)	MUNSON HOME CARE	K	65,871	FMV
(155)	MUNSON HOME CARE	P	12,438,424	FMV
(156)	MUNSON HOME HEALTH	I	58,800	FMV
(157)	MUNSON HOME HEALTH	O	70,955	FMV
(158)	MUNSON HOME HEALTH	P	1,996,655	FMV
(159)	MUNSON HOME SERVICES	K	73,890	FMV
(160)	MUNSON HOME SERVICES	P	3,345,698	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(161)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(162)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(163)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(164)	MUNSON MEDICAL GROUP	O	61,703	FMV
(165)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(166)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(167)	MUNSON MEDICAL GROUP	L	516,707	FMV
(168)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(169)	MUNSON SERVICES INC	K	107,388	FMV
(170)	MUNSON SERVICES INC	N	2,206,069	FMV
(171)	MUNSON SERVICES INC	O	74,750	FMV
(172)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(173)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(174)	NORTH FLIGHT INC	L	52,749	FMV
(175)	NORTH FLIGHT INC	P	6,406,734	FMV
(176)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(177)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(178)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(179)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(180)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(181)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(182)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(183)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(184)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(185)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(186)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(187)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(188)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(189)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(190)	MUNSON HEALTHCARE	B	4,100,000	FMV
(191)	MUNSON HEALTHCARE	L	1,428,288	FMV
(192)	MUNSON HEALTHCARE	N	698,791	FMV
(193)	MUNSON HEALTHCARE	O	2,503,939	FMV
(194)	MUNSON HEALTHCARE	P	6,592,892	FMV
(195)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(196)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(197)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(198)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(199)	MUNSON HOME CARE	I	131,304	FMV
(200)	MUNSON HOME CARE	K	65,871	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(201)	MUNSON HOME CARE	P	12,438,424	FMV
(202)	MUNSON HOME HEALTH	I	58,800	FMV
(203)	MUNSON HOME HEALTH	O	70,955	FMV
(204)	MUNSON HOME HEALTH	P	1,996,655	FMV
(205)	MUNSON HOME SERVICES	K	73,890	FMV
(206)	MUNSON HOME SERVICES	P	3,345,698	FMV
(207)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(208)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(209)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(210)	MUNSON MEDICAL GROUP	O	61,703	FMV
(211)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(212)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(213)	MUNSON MEDICAL GROUP	L	516,707	FMV
(214)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(215)	MUNSON SERVICES INC	K	107,388	FMV
(216)	MUNSON SERVICES INC	N	2,206,069	FMV
(217)	MUNSON SERVICES INC	O	74,750	FMV
(218)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(219)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(220)	NORTH FLIGHT INC	L	52,749	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(221)	NORTH FLIGHT INC	P	6,406,734	FMV
(222)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(223)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(224)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(225)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(226)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(227)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(228)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(229)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(230)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(231)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(232)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(233)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(234)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(235)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(236)	MUNSON HEALTHCARE	B	4,100,000	FMV
(237)	MUNSON HEALTHCARE	L	1,428,288	FMV
(238)	MUNSON HEALTHCARE	N	698,791	FMV
(239)	MUNSON HEALTHCARE	O	2,503,939	FMV
(240)	MUNSON HEALTHCARE	P	6,592,892	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(241)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(242)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(243)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(244)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(245)	MUNSON HOME CARE	I	131,304	FMV
(246)	MUNSON HOME CARE	K	65,871	FMV
(247)	MUNSON HOME CARE	P	12,438,424	FMV
(248)	MUNSON HOME HEALTH	I	58,800	FMV
(249)	MUNSON HOME HEALTH	O	70,955	FMV
(250)	MUNSON HOME HEALTH	P	1,996,655	FMV
(251)	MUNSON HOME SERVICES	K	73,890	FMV
(252)	MUNSON HOME SERVICES	P	3,345,698	FMV
(253)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(254)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(255)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(256)	MUNSON MEDICAL GROUP	O	61,703	FMV
(257)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(258)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(259)	MUNSON MEDICAL GROUP	L	516,707	FMV
(260)	MUNSON MOBILE IMAGING	H	3,162,523	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(261)	MUNSON SERVICES INC	K	107,388	FMV
(262)	MUNSON SERVICES INC	N	2,206,069	FMV
(263)	MUNSON SERVICES INC	O	74,750	FMV
(264)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(265)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(266)	NORTH FLIGHT INC	L	52,749	FMV
(267)	NORTH FLIGHT INC	P	6,406,734	FMV
(268)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(269)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(270)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(271)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(272)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(273)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(274)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(275)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(276)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(277)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(278)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(279)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(280)	MUNSON DIALYSIS CENTER	P	851,100	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(281)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(282)	MUNSON HEALTHCARE	B	4,100,000	FMV
(283)	MUNSON HEALTHCARE	L	1,428,288	FMV
(284)	MUNSON HEALTHCARE	N	698,791	FMV
(285)	MUNSON HEALTHCARE	O	2,503,939	FMV
(286)	MUNSON HEALTHCARE	P	6,592,892	FMV
(287)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(288)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(289)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(290)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(291)	MUNSON HOME CARE	I	131,304	FMV
(292)	MUNSON HOME CARE	K	65,871	FMV
(293)	MUNSON HOME CARE	P	12,438,424	FMV
(294)	MUNSON HOME HEALTH	I	58,800	FMV
(295)	MUNSON HOME HEALTH	O	70,955	FMV
(296)	MUNSON HOME HEALTH	P	1,996,655	FMV
(297)	MUNSON HOME SERVICES	K	73,890	FMV
(298)	MUNSON HOME SERVICES	P	3,345,698	FMV
(299)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(300)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(301)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(302)	MUNSON MEDICAL GROUP	O	61,703	FMV
(303)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(304)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(305)	MUNSON MEDICAL GROUP	L	516,707	FMV
(306)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(307)	MUNSON SERVICES INC	K	107,388	FMV
(308)	MUNSON SERVICES INC	N	2,206,069	FMV
(309)	MUNSON SERVICES INC	O	74,750	FMV
(310)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(311)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(312)	NORTH FLIGHT INC	L	52,749	FMV
(313)	NORTH FLIGHT INC	P	6,406,734	FMV
(314)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV
(315)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(316)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(317)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(318)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(319)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(320)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(321)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(322)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV
(323)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	P	197,936	FMV
(324)	MEDICAL OFFICE BUILDING CONDOMINIUM ASSOCIATION	J	195,821	FMV
(325)	MUNSON DIALYSIS CENTER	K	129,926	FMV
(326)	MUNSON DIALYSIS CENTER	P	851,100	FMV
(327)	MUNSON DIALYSIS CENTER	N	2,000,580	FMV
(328)	MUNSON HEALTHCARE	B	4,100,000	FMV
(329)	MUNSON HEALTHCARE	L	1,428,288	FMV
(330)	MUNSON HEALTHCARE	N	698,791	FMV
(331)	MUNSON HEALTHCARE	O	2,503,939	FMV
(332)	MUNSON HEALTHCARE	P	6,592,892	FMV
(333)	MUNSON HEALTHCARE REGIONAL FOUNDATI	C	870,379	FMV
(334)	MUNSON HEALTHCARE REGIONAL FOUNDATI	L	499,095	FMV
(335)	MUNSON HEALTHCARE REGIONAL FOUNDATI	O	98,395	FMV
(336)	MUNSON HEALTHCARE REGIONAL FOUNDATI	P	511,744	FMV
(337)	MUNSON HOME CARE	I	131,304	FMV
(338)	MUNSON HOME CARE	K	65,871	FMV
(339)	MUNSON HOME CARE	P	12,438,424	FMV
(340)	MUNSON HOME HEALTH	I	58,800	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(341)	MUNSON HOME HEALTH	O	70,955	FMV
(342)	MUNSON HOME HEALTH	P	1,996,655	FMV
(343)	MUNSON HOME SERVICES	K	73,890	FMV
(344)	MUNSON HOME SERVICES	P	3,345,698	FMV
(345)	MUNSON MEDICAL BUILDING PARTNERS	J	636,349	FMV
(346)	MUNSON MEDICAL BUILDING PARTNERS	P	85,762	FMV
(347)	MUNSON MEDICAL GROUP	B	3,855,000	FMV
(348)	MUNSON MEDICAL GROUP	O	61,703	FMV
(349)	MUNSON MEDICAL GROUP	P	15,342,355	FMV
(350)	MUNSON MEDICAL GROUP	N	2,420,780	FMV
(351)	MUNSON MEDICAL GROUP	L	516,707	FMV
(352)	MUNSON MOBILE IMAGING	H	3,162,523	FMV
(353)	MUNSON SERVICES INC	K	107,388	FMV
(354)	MUNSON SERVICES INC	N	2,206,069	FMV
(355)	MUNSON SERVICES INC	O	74,750	FMV
(356)	MUNSON SUPPORT SERVICES	L	2,111,288	FMV
(357)	MUNSON SUPPORT SERVICES	P	2,000,815	FMV
(358)	NORTH FLIGHT INC	L	52,749	FMV
(359)	NORTH FLIGHT INC	P	6,406,734	FMV
(360)	NORTHERN MICHIGAN SUPPLY ALLIANCE	D	7,200,000	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(361)	NORTHERN MICHIGAN SUPPLY ALLIANCE	I	126,000	FMV
(362)	NORTHERN MICHIGAN SUPPLY ALLIANCE	O	15,791,785	FMV
(363)	NORTHERN MICHIGAN SUPPLY ALLIANCE	N	939,525	FMV
(364)	NORTHERN MICHIGAN SUPPLY ALLIANCE	L	1,879,697	FMV
(365)	PAUL OLIVER MEMORIAL HOSPITAL	K	920,273	FMV
(366)	PAUL OLIVER MEMORIAL HOSPITAL	N	1,024,071	FMV
(367)	PAUL OLIVER MEMORIAL HOSPITAL	P	6,375,983	FMV
(368)	SIXTH STREET CONDO ASSOCIATION	I	60,000	FMV

Additional Data

Software ID:

Software Version:

EIN: 38-1362830

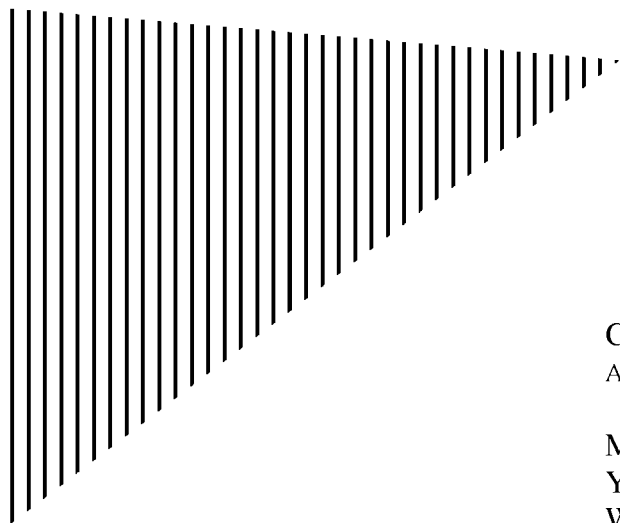
Name: MUNSON MEDICAL CENTER

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			
EDWIN A NESS PRESIDENT	12 00	X		X				21,991	699,815	240,584
DAVID WRIGHT MD PRES MED STA	4 00	X						27,542	0	0
DANIEL T WOLF TRUSTEE	4 00	X						0	21,500	0
JOHN ERB CHAIR	8 00	X		X				21,500	0	0
CARL G BENNER MD TRUSTEE	4 00	X						12,500	0	0
DAVID FRIAR MD TRUSTEE	4 00	X						12,500	0	0
GORDON H WINSTANLEY TRUSTEE	4 00	X						12,500	0	0
JOSEPH KOSTRZEWA TRUSTEE	4 00	X						12,500	0	0
MICHAEL D SIMPSON TRUSTEE	4 00	X						12,500	0	0
NANCY FISHER TRUSTEE	4 00	X						12,500	0	0
PATRICK E HEINTZ TREASURER	6 00	X		X				12,500	0	0
SHIRLANNA CORREIA TRUSTEE	4 00	X						12,500	0	0
GEORGE BEARUP SECRETARY	6 00	X		X				12,500	0	0
REX ANTINOZZI MD VICE CHAIR	6 00	X		X				12,500	0	0
EDWARD J RUTKOWSKI MD TRUSTEE	4 00	X						12,500	0	0
DANIEL NAVIN MD TRUSTEE	4 00	X						9,375	3,125	0
JOHN E PELIZZARI TRUSTEE	4 00	X						0	0	0
DANIEL C EDSON TRUSTEE	4 00	X						0	0	0
CARL B ANDERS MD TRUSTEE	4 00	X						0	0	0
DOUGLAS LUCIANI TRUSTEE	4 00	X						0	0	0
MARK A HEPLER CFO	28 00			X				0	322,835	48,469
PAUL M SHIRILLA ASST SEC/VP	6 00				X			0	293,209	47,142
KATHLEEN MCMANUS EXECUTIVE VP	40 00				X			292,567	0	45,904
DAVID MCGREAHAM MD VP MEDICAL	40 00				X			292,319	0	49,285
CHRISTOPHER PODGES VP INFO SYST	40 00				X			260,878	0	50,919

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			
MARK R ANTHONY SR VICE PRES	40 00				X			230,482	0	21,095
SUZANNE K PETERS VP HUMAN RES	40 00				X			200,341	0	34,268
JAMES P FISCHER VP PATIENT C	40 00				X			191,510	0	26,412
THOMAS SCHERMERHORN MD NEUROSURGEON	40 00					X		842,056	0	32,346
AHMET SEVIMLI MD NEPHROLOGIST	40 00					X		348,444	0	39,522
PHILOMENA COLUCCI PHYSICIAN -	40 00					X		307,203	0	18,110
DAVID B MARTIN MD INFECTIOUS D	40 00					X		261,770	0	28,727
KAREN SPEIRS DO PHYSICIAN	40 00					X		251,623	0	15,102



CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

Munson Healthcare and Subsidiaries
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP



Munson Healthcare and Subsidiaries

Consolidated Financial Statements and Supplemental Information

Years Ended June 30, 2012 and 2011

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Report of Independent Auditors

The Board of Directors
Munson Healthcare and Subsidiaries

We have audited the accompanying consolidated balance sheets of Munson Healthcare and Subsidiaries (collectively, the Organization) as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Munson Healthcare and Subsidiaries as of June 30, 2012 and 2011, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 19, 2012

Munson Healthcare and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 66,904,692	\$ 62,567,889
Short-term investments	25,075,430	25,156,234
Accounts receivable, net	73,619,555	73,668,954
Inventory	16,480,367	17,259,171
Other current assets	10,395,068	12,201,548
Total current assets	192,475,112	190,853,796
Investments	209,616,923	200,859,389
Investments in joint ventures	3,860,599	3,713,642
Property and equipment, net	258,995,569	256,094,231
Other assets	10,853,088	8,476,533
Total assets	<u>\$ 675,801,291</u>	<u>\$ 659,997,591</u>

	June 30	
	2012	2011
Liabilities and net assets		
Current liabilities		
Current maturities of long-term debt	\$ 2,080,174	\$ 4,766,989
Trade accounts payable	13,163,456	13,238,635
Accrued compensation	22,542,325	28,717,681
Accrued retirement benefits	1,619,442	1,691,851
Third-party settlements and reserves	10,116,570	13,988,291
Other current liabilities	11,692,761	10,354,278
Total current liabilities	61,214,728	72,757,725
Long-term debt, less current maturities	127,053,437	125,590,146
Accrued postretirement benefit obligation	13,681,607	11,955,316
Accrued pension obligation	119,095,923	64,285,054
Other liabilities	6,973,669	8,872,137
Total liabilities	328,019,364	283,460,378
Net assets		
Unrestricted	322,812,256	357,204,343
Temporarily restricted	23,238,064	17,640,424
Permanently restricted	1,731,607	1,692,446
Total net assets	347,781,927	376,537,213
Total liabilities and net assets	\$ 675,801,291	\$ 659,997,591

See accompanying notes.

Munson Healthcare and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2012	2011
Unrestricted revenue		
Net patient service revenue	\$ 531,748,171	\$ 514,986,429
Other operating revenue	20,704,431	18,642,442
Total unrestricted revenue	552,452,602	533,628,871
Operating expenses		
Salaries and wages	215,556,675	205,038,922
Fringe benefits	63,266,950	66,311,263
Contract labor	1,122,087	1,708,948
Physician fees	17,139,863	15,915,212
Purchased services	20,150,262	19,471,537
Supplies	125,398,770	122,348,638
Occupancy	11,394,025	11,102,517
Equipment, software, and maintenance	17,830,399	16,229,310
Depreciation and amortization	29,425,000	29,699,251
Interest	4,854,619	2,461,450
Insurance	3,193,688	4,641,997
Other	7,414,740	8,351,176
Provision for uncollectible accounts	22,798,192	16,858,496
	539,545,270	520,138,717
Less shared services revenue	11,044,897	10,896,309
Total expenses	528,500,373	509,242,408
Operating income	23,952,229	24,386,463
Other gain (loss), net	3,633,818	24,658,122
Loss on extinguishment of debt	(491,045)	—
Swap market value changes	(4,060,853)	1,763,406
Excess of revenue over expenses	23,034,149	50,807,991

See accompanying notes.

Munson Healthcare and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended June 30	
	2012	2011
Excess of revenue over expenses	\$ 23,034,149	\$ 50,807,991
Unrestricted net assets		
Transfer to affiliates	—	(75,000)
Net assets released from restriction	4,067,517	131,400
Pension and other postretirement benefit-related changes other than net periodic pension costs	(61,493,753)	26,582,239
(Decrease) increase in unrestricted net assets	(34,392,087)	77,446,630
Temporarily restricted net assets		
Contributions	10,620,808	3,634,338
Investment income	262,356	1,870,345
Grant distributions	(1,293,007)	(1,504,601)
Net assets released from restriction	(3,992,517)	—
Increase in temporarily restricted net assets	5,597,640	4,000,082
Permanently restricted net assets		
Investment income	39,161	—
Increase in permanently restricted net assets	39,161	—
(Decrease) increase in net assets	(28,755,286)	81,446,712
Net assets, beginning of period	376,537,213	295,090,501
Net assets, end of period	\$ 347,781,927	\$ 376,537,213

See accompanying notes.

Munson Healthcare and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2012	2011
Operating activities		
(Decrease) increase in net assets	\$ (28,755,286)	\$ 81,446,712
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization, including deferred charges	29,500,614	29,857,386
Provision for uncollectible accounts	22,798,192	16,858,496
Transfer to affiliates	—	75,000
Net gain (loss) on sale of property and equipment	13,910	(74,061)
Undistributed gain on equity investment	(2,225,447)	(1,696,499)
Loss on extinguishment of debt	491,045	—
Change in pension and other postretirement benefits other than net periodic pension costs	61,414,271	(26,582,239)
Increase in restricted net assets	(5,636,801)	(4,000,082)
Net change in fair value of interest rate swaps	4,060,853	(1,763,406)
Change in other long-term assets	(3,741,613)	—
Change in operating assets and liabilities		
Accounts receivable, inventory, and other assets	(20,163,509)	(22,640,840)
Net change in trading investments	(8,662,892)	(53,787,863)
Accounts payable and third-party settlements	(3,946,900)	(3,055,325)
Accrued compensation, retirement benefits, pension, and postretirement benefit obligation	(11,124,876)	2,516,340
Other current liabilities	(29,037)	2,543,299
Net cash provided by operating activities	<u>33,992,524</u>	<u>19,696,918</u>

Munson Healthcare and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30	
	2012	2011
Investing activities		
Purchase of property and equipment	\$ (32,629,710)	\$ (22,929,739)
Business acquisitions	—	(13,102,601)
Proceeds from sale of property and equipment	153,077	173,498
Distributions from joint ventures	2,064,653	1,579,046
Net cash used in investing activities	(30,411,980)	(34,279,796)
Financing activities		
Proceeds from issuance of debt obligations	128,717,427	—
Extinguishment of debt	(126,683,801)	—
Principal payments of debt obligations	(5,156,734)	(4,572,144)
Debt issuance cost	(1,757,434)	—
Transfers to affiliates	—	(75,000)
Increase in restricted net assets	5,636,801	4,000,082
Net cash provided by (used in) financing activities	756,259	(647,062)
Net increase (decrease) in cash and cash equivalents	4,336,803	(15,229,940)
Cash and cash equivalents at beginning of year	62,567,889	77,797,829
Cash and cash equivalents at end of year	<u>\$ 66,904,692</u>	<u>\$ 62,567,889</u>
Supplemental information		
Cash paid for interest	\$ 3,585,828	\$ 2,501,328

See accompanying notes

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2012

1. Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Structure

Munson Healthcare is a non-profit parent company and is responsible for the governance and management of its subsidiaries, which provide primary, secondary, and tertiary care to residents of the northern portion of Michigan's Lower Peninsula. The overall mission of Munson Healthcare is to work with its partners to provide superior quality care and promote community health.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the parent and its subsidiaries (collectively, the Organization) Munson Healthcare, Munson Medical Center (the Hospital) and its wholly owned subsidiaries, Munson Support Services and Munson Medical Group (see Note 11), Paul Oliver Memorial Hospital and its wholly owned subsidiary, Paul Oliver Memorial Hospital Foundation, Munson Home Health and its wholly owned subsidiaries, Munson Home Care and Munson Home Services, Munson Services, Inc. and its wholly owned subsidiary, Sixth Street Drugs, North Flight, Inc., Munson Healthcare Regional Foundation, Munson Dialysis Center, Munson Medical Building Partnership, Northern Michigan Supply Alliance, L L C, and Munson Mobile Imaging, Inc. All material intercompany balances and transactions have been eliminated.

The following entities are collectively referred to as the Obligated Group: Munson Healthcare, Munson Medical Center (the Hospital) and its wholly owned subsidiaries, Munson Support Services and Munson Medical Group, Paul Oliver Memorial Hospital and its wholly owned subsidiary, Paul Oliver Memorial Hospital Foundation, Munson Home Health and its wholly owned subsidiaries, Munson Home Care and Munson Home Services, Munson Services, Inc. and its wholly owned subsidiary, Sixth Street Drugs, North Flight, Inc., and Munson Healthcare Regional Foundation.

Effective July 1, 2011, Munson Mobile Imaging, Inc. was removed from the Obligated Group due to a change in its business operations.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Although actual results could differ from those estimates, management believes estimated amounts recorded are reasonable and appropriate.

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in investments.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services provided and includes estimated retroactive revenue adjustments due to future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known. Net patient service revenue increased by \$0.7 million and \$4.0 million for the years ended June 30, 2012 and 2011, respectively, related to changes in estimated third-party settlements for prior years.

Net patient service revenue is composed of the following for the years ended June 30:

	June 30, 2012		June 30, 2011	
	Amount	Percent	Amount	Percent
Inpatient services	\$ 658,014,681	52.7%	\$ 650,167,897	54.9%
Outpatient services	549,389,037	44.0	504,511,218	42.6
Professional services	40,537,558	3.3	29,425,394	2.5
Total patient charges	1,247,941,276	100.0	1,184,104,509	100.0
Total deductions	716,193,105	57.4	669,118,080	56.5
Total	\$ 531,748,171	42.6%	\$ 514,986,429	43.5%

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

A significant portion of the Organization's services is provided to patients under Medicare, Medicaid, Blue Cross Blue Shield of Michigan, and other agreements with third-party contractual agencies. Such contracts provide for payment or reimbursement to the Organization at other-than-standard charges. For the years ended June 30, 2012 and 2011, approximately 80.4% and 80.6%, respectively, of the Organization's net patient service revenue is received from the Medicare, Medicaid, and Blue Cross Blue Shield of Michigan programs. Estimated settlements have been reflected in the accompanying consolidated balance sheets for differences between interim payments and the total payments to be received under the contracts.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. For the purpose of recognizing investment returns as a component of excess of revenues over expenses, substantially all of the Organization's investments are considered to be trading securities. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses unless a donor or law restricts the income or loss. Gains or losses with respect to disposition of marketable securities are based on the specific-identification method.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Equity securities expose the Organization to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is the risk associated with a company's operating performance. Liquidity risk tends to be higher for foreign equities and equities related to small capitalization companies.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair market value at the date of donation. Depreciation on property and equipment, excluding construction-in-progress, is computed using the straight-line method over the estimated useful lives of the assets. The general range of estimated useful lives of the assets is twenty to forty years for buildings, ten to twenty years for land improvements and three to ten years for equipment. Outlays for construction-in-progress are capitalized as incurred.

Asset Impairment

The Organization considers whether indicators of impairment are present and performs the necessary test to determine if the carrying value of an asset is appropriate. Impairment write-downs, except for those related to investments, are recognized in operating income at the time the impairment is identified.

Intangible Assets

In connection with business combinations, the Organization has recorded goodwill and other intangible assets on the accompanying consolidated balance sheet as follows:

	Goodwill	Other Intangibles
Balance, July 1, 2011	\$ 3,785,577	\$ 877,343
Less amortization expense	—	134,165
Balance, June 30, 2012	<u><u>\$ 3,785,577</u></u>	<u><u>\$ 743,178</u></u>

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

The Organization reviews annually, or more frequently if events or changes in circumstances suggest impairment may have occurred, the carrying value of the goodwill and intangible assets for impairment and to determine if an adjustment for other intangibles to the amortization period is necessary. If circumstances suggest that the recorded amounts of any of these assets cannot be recovered, the carrying values of such assets are reduced to fair value. If the carrying value of any of these assets is impaired, a material charge may be incurred to results of operations. Based on an analysis using discounted cash flows and comparative transaction methods, it has been determined that there was no impairment to intangible assets, including goodwill, as of June 30, 2012 and 2011.

Derivative Financial Instruments

The Organization maintains interest rate swap agreements with banks to manage its investments and capitalization, including risks associated with changes in interest rates. The Organization records its derivative instruments as either assets or liabilities in the accompanying consolidated balance sheets at fair value. The cash flows associated with the swap agreements flow through other operating expenses on the accompanying consolidated statements of operations and changes in net assets. The unrealized derivative gain or loss related to the change in fair value is included in swap market value changes on the consolidated statements of operations and changes in net assets as part of excess of revenue over expenses.

Net Assets

Net assets of the Organization are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets are endowment funds to be held in perpetuity by the Organization. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Operating Indicator

The Organization's operating indicator (operating income) includes all net patient service revenues and other revenues and expenses from the Organization's operations for the reporting period. The operating indicator excludes other gain (loss), net, loss on extinguishment of debt, and swap market value changes.

Performance Indicator

The Organization's performance indicator (excess of revenue over expenses) includes all changes in unrestricted net assets other than transfers to affiliates, net assets released from restrictions, and pension and other postretirement benefit-related changes other than net periodic pension costs.

Amount Received From Shared Services

Total operating expenses are reduced by the amount reported as less shared services revenue, which represents revenue received from affiliates and other health care providers for the purchase of goods and services. The expenses related to this revenue are included in the operating expense line items.

Charity Care

The Organization provides care to patients who meet certain financial or economic criteria without charge or at amounts substantially less than the Organization's established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenues or in accounts receivable, net. The Organization provided charity care based on charges at established rates, amounting to \$16,079,009 and \$20,588,422 during the years ended June 30, 2012 and 2011, respectively. The estimated costs of providing the charity care were approximately \$6,500,000 and \$8,600,000 during the years ended June 30, 2012 and 2011, respectively. The estimated costs were based on a calculation, which multiplied the percentage of operating expenses to gross patient charges by the above-mentioned charity care. The percentage of cost to gross charges is calculated based on the total operating expenses (excluding provision for doubtful accounts) divided by gross patient service charges. A future increase in the level of uninsured patients to the Organization and adverse trends in the provision for doubtful accounts and charity care provided could have a material unfavorable impact on future operating results.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Tax Status

All entities are tax-exempt under various provisions under the Internal Revenue Code except for Munson Support Services, Munson Services, Inc., Sixth Street Drugs, Inc., Munson Medical Building Partnership, and Northern Michigan Supply Alliance, L L C. Any tax provision for these entities is not material to the overall consolidated financial statements.

Adoption of New Accounting Standards

In August 2010, new accounting guidance was issued that clarifies that expected insurance recoveries of health care entities should be reported separately from the related claim liability. In addition, the claim liability is determined without consideration of insurance recoveries. A cumulative-effect adjustment is to be recognized in the opening net assets in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying this new guidance. This guidance is effective for annual or interim periods beginning after December 15, 2010. There was no material impact from the adoption of this guidance on the consolidated financial position and results of operations.

In August 2010, new accounting guidance was issued that requires that cost be used as the measurement basis for charity care disclosure purposes and, for those purposes, defines cost as the direct and indirect costs of providing charity care. This guidance also requires disclosure of the method used to identify and determine costs. This guidance is effective for fiscal years beginning after December 15, 2010.

Recently Issued Accounting Standards Not Yet Adopted

In July 2011, new accounting guidance was issued that requires health care entities to change the presentation of their statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, enhanced disclosures will be required related to the entity's policies for recognizing revenue and assessing bad debts. The guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011. The Organization is evaluating the effect of adoption and does not consider that its adoption will have a material effect on its consolidated financial statements.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Health Care Legislation

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. This legislation, among other matters, is designed to expand access to coverage to substantially all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing Medicare and Medicaid coverage and payments also are expected to occur as a result of this legislation. Regulations to implement these legislative acts are in the process of being developed, and accordingly, the specific impact of the legislation on the Organization is not determinable at this time.

In February 2009, Congress passed the American Recovery and Reinvestment Act of 2009 (the Act). Under certain provisions of the Act, federal incentive payments are available to hospitals, physicians, and certain other professionals (Providers) when they adopt certified electronic health record (EHR) technology or become “meaningful users” of EHRs in ways that demonstrate improved quality, safety, and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology each year over a period of four years. Medicaid Providers can receive their initial incentive payment by adopting, implementing, or upgrading (AIU) certified EHR technology, but must demonstrate meaningful use of EHRs in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments. Medicaid EHR incentive payments to Providers are 100% federally funded and administered by the states, however, the states are not required to offer EHR incentive payments to Providers.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Nature of Business and Significant Accounting Policies (continued)

Meaningful Use Revenue

The Centers for Medicare and Medicaid Services (CMS) established calendar year 2011 as the first year states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit and CMS must approve the state's incentive plan. The Organization has acquired certified EHR technology and CMS approved the State of Michigan's disbursement plan. Accordingly, the Organization is entitled to receive Medicaid incentive payments for the adoption of the EHR technology for the Organization and employed physicians as the statutory and regulatory AIU requirements have been satisfied. As a result, during the year ended June 30, 2012, the Organization recognized as revenue approximately \$1.2 million of Medicaid hospital and physician incentive payments based on the grant accounting model. Also, if the Organization satisfy specified meaningful use criteria in future periods, the Organization may become entitled to additional Medicaid incentive payments, as well as Medicare incentive payments as described in the Act.

2. Accounts Receivable

The Organization provides health care services through inpatient, outpatient, and ambulatory care facilities and grants credit to patients, substantially all of whom are local residents in the communities served by the Organization. The Organization generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance program, plans, or policies, including, but not limited to, Medicare, Medicaid, health maintenance organizations, and commercial insurance policies.

The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections considering business and general economic conditions in its service area, trends in health care coverage, and other collection indicators. Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category and other factors. The results of these reviews are then used to make any modifications to the provision for uncollectible accounts to establish an appropriate allowance for uncollectible accounts. The Organization follows established guidelines for placing certain past-due patient balances with collection agencies.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Accounts Receivable (continued)

The Organization has a program of factoring accounts receivable with recourse to a third party. The Organization is obligated to repurchase factored receivables upon occurrence of certain conditions of the program. Accordingly, the Organization accounts for the factoring as a secured borrowing, maintaining the factored receivables within other current assets at their net realizable value until receivables are collected by the third party. As of June 30, 2012 and 2011, a total of \$4,412,263 and \$4,729,785, respectively, of accounts receivable has been factored and still has recourse potential. The Organization has an allowance for recourse of \$576,098 and \$700,000 as of June 30, 2012 and 2011, respectively. Total factored receivables for the years ended June 30, 2012 and 2011 were \$7,312,124 and \$8,456,627, respectively.

The details of accounts receivable are set forth below:

	June 30	
	2012	2011
Accounts receivable	\$ 184,321,139	\$ 182,823,122
Less:		
Allowance for uncollectible accounts	15,344,366	10,311,824
Allowance for contractual adjustments	97,626,914	98,292,929
Allowance for charity care	6,270,687	5,820,594
Net accounts receivable	65,079,172	68,397,775
Other	8,540,383	5,271,179
Total net accounts receivable	\$ 73,619,555	\$ 73,668,954

The composition of receivables from patients and third-party payors is as follows:

	June 30	
	2012	2011
Medicare	46%	44%
Blue Cross Blue Shield of Michigan	13	19
Commercial insurance and HMOs	17	17
Medicaid	10	9
Self-pay	14	11
Total	100%	100%

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Investments in Joint Ventures

Investments in joint ventures, primarily the Northwest Michigan Surgery Center, LLC, Houghton Lake Ambulatory Center, Great Lakes Mobile PET Services, Great Lakes Family Care, and War Memorial Munson Health Services, are not majority owned (the Organization has a 50% or less ownership in each) or controlled and are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other operating revenue in the consolidated statements of operations and changes in net assets and totaled \$2,225,447 and \$1,696,499 for the years ended June 30, 2012 and 2011, respectively.

4. Property and Equipment

Cost of property and equipment and depreciable lives are summarized as follows:

	June 30	
	2012	2011
Land	\$ 13,813,477	\$ 13,040,266
Land improvements	3,078,545	2,864,358
Buildings	310,304,758	302,843,809
Equipment	198,830,170	189,258,959
Construction-in-progress	24,665,409	15,032,708
Total cost	550,692,359	523,040,100
Accumulated depreciation	(291,696,790)	(266,945,869)
Total property and equipment, net	<u>\$ 258,995,569</u>	<u>\$ 256,094,231</u>

Construction-in-progress at June 30, 2012 consists of costs associated with the construction of the stereotactic radiosurgery suite, the off-site business center, and various other information technology and facility projects. Construction-in-progress at June 30, 2011 consists of costs associated with the relocation of a cardiac diagnostic suite, the infusion clinic expansion, and various other information technology and remodeling projects.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt

Long-term debt is as follows

	June 30	
	2012	2011
Obligated Group		
Revenue bonds payable to the County of Grand Traverse Hospital Finance Authority. The bonds are the joint and several obligations of the Obligated Group. The bonds are payable from the revenue of the Obligated Group and are collateralized by its accounts and general intangibles		
<ul style="list-style-type: none"> Series 1998A 4.75% interest at June 30, 2011 Series 2001A 4.68% interest at June 30, 2011 Series 2002A 3.39% interest at June 30, 2011 Series 2005A 3.54% interest at June 30, 2011 Series 2005B 3.81% interest at June 30, 2011 	\$ —	\$ 129,001,841
Revenue bonds payable to the County of Grand Traverse Hospital Finance Authority – Series 2011A. The bonds are the joint and several obligations of the Obligated Group. The bonds are payable from the revenue of the Obligated Group and are collateralized by its accounts and general intangibles		
<ul style="list-style-type: none"> Series 2011A 2.00% interest at June 30, 2012, \$81,520,000 fixed Unamortized bond premium of \$368,437 at June 30, 2012 Series 2011B 3.5% interest at June 30, 2012, \$24,825,000 variable Series 2011C 2.75% interest at June 30, 2012, \$22,000,000 fixed 	128,713,437	—
Other	—	405,064
Total Obligated Group	128,713,437	129,406,905
Other entities		
Notes payable due in monthly installments totaling \$47,660, including interest at 5.78% annually. This note is collateralized by a mortgage, security agreement, and assignment of rents on specific real estate	\$ 420,174	\$ 950,230
Total	129,133,611	130,357,135
Less current portion	(2,080,174)	(4,766,989)
Long-term portion	\$ 127,053,437	\$ 125,590,146

The Obligated Group variable rate revenue bonds are secured by letter of credit agreements in the amount of \$25,063,048 scheduled to terminate on August 10, 2016. Variable rate bonds are remarketed weekly, with the option to convert to an adjustable or fixed rate.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt (continued)

In connection with the outstanding bond issues, the Organization has agreed to various covenants. These covenants include restrictions on transfer of assets, additional indebtedness, and maintenance of certain financial ratios.

In August 2011, the Obligated Group extinguished the Series 1998A, Series 2001A, Series 2002A, Series 2005A, and Series 2005B Bonds and terminated swaps related to Series 2002A and 2005A with proceeds from the County of Grand Traverse Hospital Finance Authority Revenue Refunding Bonds Series 2011A (\$81,892,427, inclusive of a \$372,427 premium), the County of Grand Traverse Hospital Finance Authority Variable Rate Revenue Refunding Bonds Series 2011B (\$24,825,000), and the County of Grand Traverse Hospital Finance Authority Revenue Refunding Bonds Series 2011C (\$22,000,000). Series 2011C was directly purchased by a bank and matures on July 1, 2041. The bonds include a mandatory put by the purchasing bank in August 2017, at which time the Obligated Group may elect to renegotiate with the initial purchasers, remarket, or redeem the bonds.

Minimum principal payments on long-term debt to maturity as of June 30, 2012, are as follows:

2013	\$ 2,080,174
2014	2,010,000
2015	2,135,000
2016 and thereafter	122,540,000
Total minimum payments	<u>128,765,174</u>
Plus unamortized bond premium	368,437
Net long-term debt	<u><u>\$ 129,133,611</u></u>

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Interest Rate Swap Agreements

The Organization maintains fixed payor and a basis interest rate swap agreements to manage interest rate risk exposure. The fixed payer interest rate swap agreement used by the Organization effectively modifies the Organization's exposure to interest rate risk by converting the Organization's floating rate debt to a fixed rate basis, thus reducing the effect of interest rate changes on future interest expense. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount. In August 2011, the Organization terminated two fixed payor swaps resulting in a loss of \$682,774. Outstanding interest rate swap agreements are as follows:

Notional Amount as of June 30, 2012	Termination Date	Receives	Pays	Market Value at June 30		
				2012	2011	Gain (Loss)
Basis swap \$30,000,000	June 2017	70.3% of 5-year LIBOR	SIFMA Municipal Swap Index (+0.18% at June 30, 2012)	\$ 814,810	\$ 1,426,322	\$ (611,512)
Fixed payor swaps \$24,825,000	July 2028	67% of 30-day LIBOR	3.42%	(5,430,020)	(2,663,453)	(2,766,567)
—	August 2011	67% of 30-day LIBOR	3.20%	—	(990,557)	(146,943)
—	August 2011	67% of 30-day LIBOR	3.62%	—	(2,918,469)	(535,831)
				<u>\$ (4,615,210)</u>	<u>\$ (5,146,157)</u>	<u>\$ (4,060,853)</u>

The Organization's basis swap derivative instrument contains provisions that require the Organization's debt to maintain an investment-grade credit rating from each of the major credit rating agencies. If, on the measurement date, the Organization's debt was to fall below investment grade and the derivative instruments were in a net liability position in an amount exceeding a stated threshold, the counterparties to the derivative instrument could request immediate and ongoing full overnight collateralization. For the years ended June 30, 2012 and 2011, the Organization's basis swap was in a positive position, requiring no collateral to be posted for either of the years.

The Organization's fixed payor swap derivative instrument contains collateralization requirements if certain conditions exist. At June 30, 2012, no collateral was required to be posted. Under this interest rate swap transaction, various early termination events may occur, triggering an early termination payment. An early termination event occurs upon the event of the Organization's rating downgrade and nonperformance or the rating downgrade of the swap insurer, as specified in the swap agreement.

The net interest rate swaps are recorded in other liabilities in the accompanying consolidated balance sheets.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Interest Rate Swap Agreements (continued)

The cash flows associated with the swap agreements flow through other operating expenses on the accompanying consolidated statements of operations and changes in net assets in the amount of \$664,311 and \$1,575,086 for the years ended June 30, 2012 and 2011, respectively

The changes in fair value are reported in the consolidated statements of operations and changes in net assets as part of excess of revenue over expenses. The unrealized (loss) gain in fair value of the basis swaps was \$(4,060,853) and \$1,763,406 for the years ended June 30, 2012 and 2011, respectively

7. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value of certain assets and liabilities and expands disclosures about fair value measurements. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The carrying values of cash and cash equivalents, accounts receivable, third-party settlements, and accounts payable are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments are recorded at their fair value. At June 30, 2012 and 2011, the fair value of the Organization's long-term debt as estimated by discounted cash flow analyses using current borrowing rates for similar types of borrowing arrangements and adjusted for credit was approximately \$135,190,000 and \$131,560,000, respectively (see Note 5).

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

Certain of the Organization's financial assets are measured at fair value on a recurring basis, including money market and fixed income and equity instruments. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments, measured at fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Level 1 primarily consists of cash and financial instruments, such as money market securities and listed equities.

Level 2 – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date. Instruments in this category include certain U.S. government agency and sponsored entity debt securities and interest rate swap contracts.

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

The fair value of financial assets and liabilities measured on a recurring basis was determined using the following inputs at June 30, 2012

	Fair Market Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 66,904,692	\$ 66,904,692	\$ —	\$ —
Money market fund and depository funds held by a bank trust department	17,063,029	17,063,029	—	—
Debt securities				
U S government and government agency obligations	118,322,272	—	118,322,272	—
Corporate obligations				
Foreign obligations	931,160	—	931,160	—
Common stocks				
U S equities	89,156,492	89,156,492	—	—
Foreign equities	8,220,287	8,220,287	—	—
Rights/warrants	30,950	30,950	—	—
Accrued income and other	968,163	968,163	—	—
Total assets	<u>\$ 301,597,045</u>	<u>\$ 182,343,613</u>	<u>\$ 119,253,432</u>	<u>\$ —</u>
Liabilities				
Interest rate swaps	\$ 4,615,210	\$ —	\$ 4,615,210	\$ —
Total liabilities	<u>\$ 4,615,210</u>	<u>\$ —</u>	<u>\$ 4,615,210</u>	<u>\$ —</u>

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

The fair value of financial assets and liabilities measured on a recurring basis was determined using the following inputs at June 30, 2011

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Market Value			
Assets				
Cash and cash equivalents	\$ 62,567,889	\$ 62,567,889	\$ —	\$ —
Money market fund and depository funds held by a bank trust department	14,608,072	14,608,072	—	—
Debt securities				
U S government and government agency obligations	67,812,612	—	67,812,612	—
Corporate obligations	44,857,328	—	44,857,328	—
Foreign obligations	776,417	—	776,417	—
Mutual funds				
Fixed income investments	40,199	40,199	—	—
Equity investments	220,941	220,941	—	—
Common stocks				
U S equities	87,090,395	87,090,395	—	—
Foreign equities	9,528,376	9,528,376	—	—
Rights/warrants	52,900	52,900	—	—
Accrued income and other	1,028,383	1,028,383	—	—
Total assets	<u>\$ 288,583,512</u>	<u>\$ 175,137,155</u>	<u>\$ 113,446,357</u>	<u>\$ —</u>
Liabilities				
Interest rate swaps	\$ 5,146,158	\$ —	\$ 5,146,158	\$ —
Total liabilities	<u>\$ 5,146,158</u>	<u>\$ —</u>	<u>\$ 5,146,158</u>	<u>\$ —</u>

The fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 securities were determined through evaluated bid prices based on recent trading activity, including market interest rate curves and referenced credit spreads, estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party pricing services where quoted market values are not available.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

The methods previously described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following schedule summarizes the investment return and its classification in the consolidated statements of operations and changes in net assets for the years ended June 30, 2012 and 2011.

	June 30	
	2012	2011
Return from		
Investment income	\$ 4,048,552	\$ 3,498,109
Realized gains on sale of investments, net	4,619,706	6,503,369
Change in unrealized gains (losses) on investments, net	(4,118,303)	16,923,777
Total	<u>\$ 4,549,955</u>	<u>\$ 26,925,255</u>
Classified as		
Other operating revenue	\$ 224,613	\$ 403,884
Other gain	4,023,825	24,651,026
Investment income on restricted net assets	301,517	1,870,345
Total	<u>\$ 4,549,955</u>	<u>\$ 26,925,255</u>

The Board of Trustees has designated assets for replacement, improvement, and expansion of tangible facilities in the amount of \$190,432,207 and \$185,157,149 as of June 30, 2012 and June 30, 2011, respectively. Board designated assets are held in cash, cash equivalents, and investment securities.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Medical Malpractice Claims

Based on the nature of its operations, the Organization is at times subject to pending or threatened legal actions that arise in the normal course of its activities

The Organization is insured against medical malpractice claims under a claims-made policy, whereby only the claims reported to the insurance carrier during the policy period are covered regardless of when the incident giving rise to the claim occurred. Terms of the policy require the Organization to be responsible for a deductible. The Organization also bears the risk of the ultimate costs of any individual claims exceeding the policy limits for claims asserted in the policy year. In addition to the primary layer of medical malpractice coverage, the Organization maintains a secondary layer of coverage through a segregated portfolio in an offshore captive insurance company. An umbrella policy provides additional coverage in addition to the primary and secondary layers. The reserve for estimated malpractice claims, recorded as other liabilities on the balance sheet, was approximately \$2,089,000 and \$3,437,000 at June 30, 2012 and 2011, respectively, including deductibles.

If the claims-made policy was not renewed or replaced with equivalent insurance, claims based on the occurrences during the claims-made term, but reported subsequently, would be uninsured.

The Organization is not aware of any medical malpractice claims, either asserted or unasserted, that would exceed the policy limits. No claims have been settled during the past three years that have exceeded policy coverage limits. The cost of the Organization's insurance policy and any deductibles paid represent the Organization's cost for such claims for the year and have been charged to operations as a current expense.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Retirement Plans

Munson Medical Center maintains a defined benefit pension plan and two separate retirement savings plans (RSP) covering substantially all of its employees as well as employees of certain affiliates. Munson Medical Center bills its affiliates for pension costs based on a percentage of covered wages.

The following table sets forth the funded status of the defined benefit pension plan and amounts recognized in the consolidated financial statements as of and for the years ended June 30, 2012 and 2011.

	June 30	
	2012	2011
Change in benefit obligation of the plan		
Benefit obligation at beginning of the year	\$ 263,056,145	\$ 253,717,778
Service cost	7,747,891	8,511,198
Interest cost	14,643,810	13,805,105
Actuarial loss (gain)	52,717,172	(7,722,819)
Benefits paid	(6,043,836)	(5,255,117)
Benefit obligation at end of year	<u>332,121,182</u>	<u>263,056,145</u>
Change in assets of the plan		
Fair value of assets at beginning of year	198,771,091	163,333,521
Actual return on assets	5,298,004	25,692,687
Employer contributions	15,000,000	15,000,000
Benefits paid	(6,043,836)	(5,255,117)
Fair value of assets at end of year	<u>213,025,259</u>	<u>198,771,091</u>
Funded status (deficit) at end of year	<u>\$ (119,095,923)</u>	<u>\$ (64,285,054)</u>
Amounts recognized in consolidated balance sheets		
Accrued pension obligation	\$ (119,095,923)	\$ (64,285,054)
Accumulated adjustments to unrestricted net assets		
Net actuarial loss	127,879,944	68,104,356
Prior service cost	191,863	279,471
Net amount recognized	<u>\$ 8,975,884</u>	<u>\$ 4,098,773</u>

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Retirement Plans (continued)

	June 30	
	2012	2011
Components of net pension benefit cost		
Service cost	\$ 7,747,891	\$ 8,511,198
Interest cost	14,643,810	13,805,105
Expected return on assets	(16,731,886)	(13,842,746)
Amortization of prior service cost	87,608	87,608
Amortization of net loss	4,375,466	7,024,016
Net periodic pension cost	<u>\$ 10,122,889</u>	<u>\$ 15,585,181</u>
Weighted-average actuarial assumptions to determine benefit cost were		
Discount rate for benefit obligation at year-end	4.26%	5.64%
Discount rate for periodic pension costs	5.64%	5.50%
Expected rate of return on plan assets	7.50%	8.00%
Rate of compensation increase	3.25%	4.20%

At June 30, 2012 and 2011, the discount rates were changed from 5.64% to 4.26% and from 5.50% to 5.64%, respectively, increasing the projected benefit obligation by \$60.3 million in fiscal 2012 and decreasing the projected benefit obligation by \$5.4 million in fiscal 2011. For the year ended June 30, 2011, the rate of compensation increase was changed from 4.24% to 3.25%, decreasing the projected benefit obligation at June 30, 2011 by \$8.9 million. At June 30, 2012 and 2011, the accumulated benefit obligation was \$299.1 million and \$231.3 million, respectively.

The Organization expects to contribute \$15 million to its pension plan in 2013. The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid:

2013	\$ 7,734,081
2014	8,985,053
2015	10,331,840
2016	11,805,146
2017 – 2022	105,582,885

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Retirement Plans (continued)

The Organization's pension plan asset allocation at June 30, 2011 and 2010, by asset category as a percentage, is as follows

	June 30	
	2012	2011
Equity securities	43%	46%
Debt securities	48%	48%
Cash equivalents	9%	6%

The goals of the investment program are to fully fund the obligation to pay retirement benefits in accordance with the plan documents and to provide returns that, along with appropriate funding from the Organization, maintain an asset/liability ratio that is in compliance with all applicable laws and regulations and assures timely payment of retirement benefits. Due to recent economic conditions, the Organization has delayed re-balancing to target allocations and is monitoring market conditions. The target allocation for each major category of plan assets is as follows

Equity securities	55%
Fixed income	45%

The expected long-term rate of return assumption is based on the mix of assets in the plan, the long-term earnings expected to be associated with each asset class, and the additional return expected through active management.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Retirement Plans (continued)

The following table presents the plan's financial instruments as of June 30, 2012, measured on a recurring basis within the fair value hierarchy as disclosed in Note 7

	Fair Market Value	Fair Value Measurements at June 30, 2012, Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds – short-term investments	\$ 20,037,387	\$ 20,037,387	\$ –	\$ –
Common stock				
U S equities	82,496,876	82,496,876	–	–
Foreign equities	8,604,457	8,604,457	–	–
Debt securities				
U S government and government agency obligations	57,404,554	–	57,404,554	–
Corporate obligations	42,480,763	–	42,480,763	–
Foreign obligations	1,154,836	–	1,154,836	–
Other	846,386	155,025	691,361	–
Total assets	\$ 213,025,259	\$ 111,293,745	\$ 101,731,514	\$ –

The following table presents the plan's financial instruments as of June 30, 2011, measured on a recurring basis within the fair value hierarchy as disclosed in Note 7

	Fair Market Value	Fair Value Measurements at June 30, 2011, Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds – short-term investments	\$ 12,592,272	\$ 12,592,272	\$ –	\$ –
Mutual fund – equity investment	96,361	96,361	–	–
Common stock				
U S equities	80,821,287	80,821,287	–	–
Foreign equities	9,875,420	9,875,420	–	–
Debt securities				
U S government and government agency obligations	50,861,990	–	50,861,990	–
Corporate obligations	42,738,898	–	42,738,898	–
Foreign obligations	986,057	–	986,057	–
Other	798,806	144,072	654,734	–
Total assets	\$ 198,771,091	\$ 103,529,412	\$ 95,241,679	\$ –

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Retirement Plans (continued)

Munson Medical Center maintains two separate RSPs

The first plan is for employees who continue to accrue benefits under the defined benefit plan. Prior to August 28, 2009, this plan allowed for an employer-matching contribution up to a maximum of 50% of the participants' deferrals that did not exceed 2% of compensation. Subsequent to August 28, 2009, the employer-matching contribution was eliminated.

The second plan allows for an employer-matching contribution up to a maximum of 100% of the participants' deferrals that did not exceed 3% of compensation prior to August 28, 2009, and 67% of the participants' deferrals that did not exceed 3% of compensation subsequent to August 28, 2009, with an additional 3% discretionary contribution at year-end. All employees who chose to freeze their benefit accruals in the Organization's defined benefit pension plan, employees hired after January 1, 2006, and those employees hired during 2005 who did not meet the eligibility requirements of the defined benefit plan, participate in the second plan. Accrued pension expense includes \$1,087,713 and \$1,082,379 at June 30, 2012 and 2011, respectively, for this plan.

Expenses charged to operations under these plans were \$4,356,918 and \$3,825,305 for the years ended June 30, 2012 and 2011, respectively.

10. Postretirement Benefit Obligation

The Organization has a postretirement health plan that benefits certain employees. Substantially all of the Organization's employees hired prior to December 31, 2005, may become eligible for benefits if they have ten years of service after age 45. Under provisions of the plan, the Organization's liability is limited to a fixed amount per retiree; retirees are required to make monthly contributions and are liable for any increase in the cost of health care benefits. The plan is not funded. Employees hired after December 31, 2005, are not eligible for the plan, as participation in the plan has been frozen as of that date.

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Postretirement Benefit Obligation (continued)

The following is information relating to this plan as of and for the years ended June 30, 2012 and 2011, the measurement dates for the plan

	June 30	
	2012	2011
Benefit obligation and underfunded status	<u>\$ (13,681,607)</u>	<u>\$ (11,955,316)</u>
Employer contributions	<u>\$ 496,013</u>	<u>\$ 288,244</u>
Benefits paid	<u>\$ (496,013)</u>	<u>\$ (288,244)</u>
Weighted-average assumptions		
Discount rate	4.26%	5.64%

The Organization expects to contribute \$578,008 to its postretirement plan in 2013. The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid:

2013	\$ 578,008
2014	673,988
2015	735,775
2016	795,338
2017 – 2022	5,660,862

Munson Healthcare and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Business Combinations

In September 2010, the Organization acquired Sixth Street Drugs, Inc (SSD) to allow for possible future campus expansions. In January 2011, the Hospital entered into agreements to integrate with two physician groups and formed Munson Medical Group (a subsidiary of the Hospital). The integrations were designed to enable the Hospital to provide the patients and communities served with improved delivery of cardiology services.

All of these transactions were accounted as acquisitions, with the operating results included in the consolidated financial statements from the date of integration forward. Total consideration paid for these acquisitions totaled \$13,102,601, net of cash acquired. The allocation of the purchase price included \$506,139 of net current assets, \$4,785,000 of goodwill and other intangible assets, and \$7,811,462 of property and equipment.

The allocations were generally based on the fair value of these assets determined using the cost approach. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 fair value measurements.

12. Functional Expenses

The Organization provides inpatient, outpatient, and long-term health care services to patients in northwest Michigan. Expenses related to providing these services for the years ended June 30, 2012 and 2011 are as follows:

	June 30	
	2012	2011
Health care services	\$ 467,640,565	\$ 450,600,263
General and administrative	59,733,584	57,480,796
Fundraising	1,126,224	1,161,349
Total	<u>\$ 528,500,373</u>	<u>\$ 509,242,408</u>

13. Subsequent Events

The Organization evaluated events and transactions occurring subsequent to June 30, 2012 through September 19, 2012, the date of issuance of the consolidated financial statements. During this period, there were no subsequent events requiring disclosure or recognition in the consolidated financial statements.

Supplemental Information

Report of Independent Auditors on Supplemental Information

The Board of Directors
Munson Healthcare and Subsidiaries

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 19, 2012

Munson Healthcare and Subsidiaries

Consolidating Balance Sheet

June 30, 2012

	Munson Healthcare Obligated Group Entities									Other Munson Healthcare Entities					Consolidated Grand Total
	Munson Medical Center and Subsidiaries	Paul Oliver Memorial Hospital and Subsidiary	Munson Home Health and Subsidiaries	Munson Services, Inc. and Subsidiary	North Flight, Inc.	Munson Healthcare Regional Foundation	Munson Healthcare	Eliminations	Total Obligated Group	Munson Dialysis Center	Munson Medical Building Partnership	Northern Michigan Supply Alliance, L.L.C.	Munson Mobile Imaging, Inc.	Eliminations	
Assets															
Current assets															
Cash and cash equivalents	\$ 55,759,306	\$ 4,712,989	\$ 2,256,115	\$ 777,200	\$ 8,080	\$ 6,353	\$ 260,196	\$ –	\$ 63,780,239	\$ 1,644,230	\$ 444,282	\$ 5,569	\$ 1,030,372	\$ –	\$ 66,904,692
Short-term investments	25,075,430	–	–	–	–	–	–	–	25,075,430	–	–	–	–	–	25,075,430
Accounts receivable, net	61,189,402	2,744,438	4,515,578	1,107,841	1,241,953	1,413,979	56,374	–	72,269,565	181,090	–	870,739	298,161	–	73,619,555
Due from affiliates	596,967	–	–	–	–	–	–	(314,084)	282,883	–	–	–	–	(282,883)	–
Inventors	12,257,501	–	454,444	1,942,099	–	–	–	–	14,654,044	–	–	1,826,323	–	–	16,480,367
Other current assets	8,184,034	310,877	12,427	107,342	120,319	3,180	1,634,765	–	10,372,944	3,600	4,124	14,400	–	–	10,395,068
Total current assets	163,062,640	7,768,304	7,238,564	3,934,482	1,370,352	1,423,512	1,951,335	(314,084)	186,435,105	1,828,920	448,406	2,717,031	1,328,533	(282,883)	192,475,112
Investments	180,234,157	6,426,763	2,520,168	–	–	18,821,953	11,117,326	(9,503,444)	209,616,923	–	–	–	–	–	209,616,923
Investments in joint ventures	755,880	–	–	–	–	–	3,104,719	–	3,860,599	–	–	–	–	–	3,860,599
Investments in affiliates	–	–	–	–	–	–	5,833,505	(5,021,758)	811,747	–	–	–	–	(811,747)	–
Property and equipment, net	242,760,775	6,349,497	1,786,174	227,663	3,454,322	–	179,128	–	254,757,559	1,803,079	1,837,358	551,320	46,253	–	258,995,569
Other assets	4,926,764	643,206	–	1,295,574	–	3,986,785	–	–	10,852,329	–	759	–	–	–	10,853,088
Total assets	\$ 591,740,216	\$ 21,187,770	\$ 11,544,906	\$ 5,457,719	\$ 4,824,674	\$ 24,232,250	\$ 22,186,013	\$ (14,839,286)	\$ 666,334,262	\$ 3,631,999	\$ 2,286,523	\$ 3,268,351	\$ 1,374,786	\$ (1,094,630)	\$ 675,801,291
Liabilities and net assets															
Current liabilities															
Current maturities of long-term debt	\$ 1,660,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	1,660,000	\$ –	\$ 420,174	\$ –	\$ –	\$ –	2,080,174
Trade accounts payable	10,329,918	271,623	150,110	405,003	132,114	2,174	42,803	–	11,333,745	37,376	12,659	1,528,830	250,846	–	13,163,456
Accrued compensation	18,664,661	553,317	1,334,656	11,637	562,847	–	1,158,587	–	22,285,705	–	–	256,620	–	–	22,542,325
Accrued retirement benefits	1,279,164	36,150	100,602	–	38,400	–	165,126	–	1,619,442	–	–	–	–	–	1,619,442
Third-party settlements and reserves	8,118,061	1,998,509	–	–	–	–	–	–	10,116,570	–	–	–	–	–	10,116,570
Due to affiliates	–	–	–	–	314,084	–	–	(314,084)	–	–	17,883	265,000	–	(282,883)	–
Other current liabilities	9,505,740	442,375	30,000	19,321	22,458	329,276	53,914	–	10,403,084	–	4,179	19,829	3,696	1,261,973	11,692,761
Total current liabilities	49,557,544	3,301,974	1,615,368	435,961	1,069,903	331,450	1,420,430	(314,084)	57,418,546	37,376	454,895	2,070,279	254,542	979,090	61,214,728
Long-term debt, less current maturities	127,053,437	–	–	–	–	–	–	–	127,053,437	–	–	–	–	–	127,053,437
Accrued postretirement benefit obligation	13,681,607	–	–	–	–	–	–	–	13,681,607	–	–	–	–	–	13,681,607
Accrued pension obligation	119,095,923	–	–	–	–	–	–	–	119,095,923	–	–	–	–	–	119,095,923
Other liabilities	5,325,660	–	–	–	–	–	1,648,009	–	6,973,669	–	–	–	–	–	6,973,669
Total liabilities	314,714,171	3,301,974	1,615,368	435,961	1,069,903	331,450	3,068,439	(314,084)	324,223,182	37,376	454,895	2,070,279	254,542	979,090	328,019,364
Net assets															
Unrestricted	267,522,601	14,023,449	9,929,538	5,021,758	3,754,771	2,793,476	19,117,574	(5,021,758)	317,141,409	3,594,623	1,831,628	1,198,072	1,120,244	(2,073,720)	322,812,256
Temporarily restricted	9,503,444	3,862,347	–	–	–	19,375,717	–	(9,503,444)	23,238,064	–	–	–	–	–	23,238,064
Permanently restricted	–	–	–	–	–	1,731,607	–	–	1,731,607	–	–	–	–	–	1,731,607
Total net assets	277,026,045	17,885,796	9,929,538	5,021,758	3,754,771	23,900,800	19,117,574	(14,525,202)	342,111,080	3,594,623	1,831,628	1,198,072	1,120,244	(2,073,720)	347,781,927
Total liabilities and net assets	\$ 591,740,216	\$ 21,187,770	\$ 11,544,906	\$ 5,457,719	\$ 4,824,674	\$ 24,232,250	\$ 22,186,013	\$ (14,839,286)	\$ 666,334,262	\$ 3,631,999	\$ 2,286,523	\$ 3,268,351	\$ 1,374,786	\$ (1,094,630)	\$ 675,801,291

Munson Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2012

	Munson Healthcare Obligated Group Entities									Other Munson Healthcare Entities					Consolidated Grand Total
	Munson Medical Center and Subsidiaries	Paul Oliver Memorial Hospital and Subsidiary	Munson Home Health and Subsidiaries	Munson Services, Inc. and Subsidiary	North Flight, Inc.	Munson Healthcare Regional Foundation	Munson Healthcare	Eliminations	Total Obligated Group	Munson Dialysis Center	Munson Medical Building Partnership	Northern Michigan Supply Alliance, L.L.C.	Munson Mobile Imaging, Inc.	Eliminations	
Unrestricted revenue															
Net patient service revenue	\$ 460,141,426	\$ 17,139,014	\$ 21,071,983	\$ 17,905,622	\$ 8,364,311	\$ –	\$ –	\$ –	\$ 524,622,356	\$ 4,829,641	\$ –	\$ –	\$ 2,296,174	\$ –	\$ 531,748,171
Other operating revenue	18,243,682	511,728	500,372	37,579	1,293,121	7	410,560	(420,365)	20,576,684	39,154	1,092,173	123,152	149,022	(1,275,754)	20,704,431
Total unrestricted revenue	478,385,108	17,650,742	21,572,355	17,943,201	9,657,432	7	410,560	(420,365)	545,199,040	4,868,795	1,092,173	123,152	2,445,196	(1,275,754)	552,452,602
Operating expenses															
Salaries and wages	183,674,569	4,889,194	13,155,694	649,228	4,913,766	–	5,549,224	–	212,831,675	–	–	2,725,000	–	–	215,556,675
Fringe benefits	53,722,117	1,672,124	3,643,134	99,740	1,377,846	–	1,814,422	–	62,329,383	–	–	937,567	–	–	63,266,950
Contract labor	3,121,958	1,274,209	269,687	2,206,069	3,358	830,765	–	(5,379,644)	2,326,402	2,027,605	–	490,932	–	(3,722,852)	1,122,087
Physician fees	16,185,754	933,844	20,265	–	–	–	–	–	17,139,863	–	–	–	–	–	17,139,863
Purchased services	18,918,354	2,116,441	1,060,255	348,445	1,221,425	130,315	1,817,747	(4,586,098)	21,026,884	305,102	109,332	213,543	1,284,355	(2,788,954)	20,150,262
Supplies	106,574,076	1,579,297	1,483,806	13,986,011	223,201	32,726	32,278	–	123,911,395	1,560,451	6,461	(79,537)	–	–	125,398,770
Occupancy	10,028,474	711,448	642,045	189,133	219,013	783	40,487	(60,000)	11,771,383	88,668	95,932	195,562	4,829	(762,349)	11,394,025
Equipment, software, and maintenance	15,651,978	383,045	273,900	37,017	898,109	11,386	135,116	–	17,390,551	17,009	–	138,937	283,902	–	17,830,399
Depreciation and amortization	26,629,096	978,279	192,518	137,330	572,393	168	58,521	–	28,568,305	140,596	211,195	123,700	381,204	–	29,425,000
Interest	4,802,182	–	–	–	–	–	–	–	4,802,182	–	38,938	–	13,499	–	4,854,619
Insurance	2,737,269	93,964	103,314	6,439	192,003	4,561	5,134	–	3,142,684	23,695	12,078	5,313	9,918	–	3,193,688
Other	4,660,495	663,428	1,180,301	61,947	104,511	85,060	429,168	–	7,184,910	103,594	18,936	64,481	42,819	–	7,414,740
Provision for uncollectible accounts	20,435,332	876,616	139,287	122,252	807,082	–	–	–	22,380,569	12,429	6,628	–	398,566	–	22,798,192
	467,141,654	16,171,889	22,164,206	17,843,611	10,532,707	1,095,764	9,882,097	(10,025,742)	534,806,186	4,279,149	499,500	4,815,498	2,419,092	(7,274,155)	539,545,270
Less shared services revenue	15,740,673	–	(5,003)	163,993	90,984	1,095,757	5,259,293	(9,868,960)	12,476,737	132,062	–	4,692,346	–	(6,256,248)	11,044,897
Total expenses	451,400,981	16,171,889	22,169,209	17,679,618	10,441,723	7	4,622,804	(156,782)	522,329,449	4,147,087	499,500	123,152	2,419,092	(1,017,907)	528,500,373
Operating income (loss), net	26,984,127	1,478,853	(596,854)	263,583	(784,291)	–	(4,212,244)	(263,583)	22,869,591	721,708	592,673	–	26,104	(257,847)	23,952,229
Other gain (loss), net	3,394,523	75,260	(52,836)	–	–	1,373	214,872	–	3,633,192	–	626	–	–	–	3,633,818
Loss on extinguishment of debt	(491,045)	–	–	–	–	–	–	–	(491,045)	–	–	–	–	–	(491,045)
Swap market value changes	(4,060,853)	–	–	–	–	–	–	–	(4,060,853)	–	–	–	–	–	(4,060,853)
Excess (deficit) of revenue over expenses	\$ 25,826,752	\$ 1,554,113	\$ (649,690)	\$ 263,583	\$ (784,291)	\$ 1,373	\$ (3,997,372)	\$ (263,583)	\$ 21,950,885	\$ 721,708	\$ 593,299	\$ –	\$ 26,104	\$ (257,847)	\$ 23,034,149

Munson Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended June 30, 2012

	Munson Healthcare Obligated Group Entities									Other Munson Healthcare Entities					Consolidated Grand Total
	Munson Medical Center and Subsidiaries	Paul Oliver Memorial Hospital and Subsidiary	Munson Home Health and Subsidiaries	Munson Services, Inc. and Subsidiary	North Flight, Inc.	Munson Healthcare Regional Foundation	Munson Healthcare	Eliminations	Total Obligated Group	Munson Dialysis Center	Munson Medical Building Partnership	Northern Michigan Supply Alliance, L.L.C.	Munson Mobile Imaging, Inc.	Eliminations	
Unrestricted net assets															
Excess (deficit) of revenue over expenses	\$ 25,826,752	\$ 1,554,113	\$ (649,690)	\$ 263,583	\$ (784,291)	\$ 1,373	\$ (3,997,372)	\$ (263,583)	\$ 21,950,885	\$ 721,708	\$ 593,299	\$ –	\$ 26,104	\$ (257,847)	\$ 23,034,149
Transfer (to) from affiliates	(1,296,166)	(641,311)	–	–	200,000	–	6,100,000	–	4,362,523	(500,000)	–	–	(3,862,523)	–	–
Pension and other postretirement benefit- related changes other than net periodic pension costs	(61,493,753)	–	–	–	–	–	–	–	(61,493,753)	–	–	–	–	–	(61,493,753)
Net assets released from restriction	75,000	1,211,517	–	–	–	2,781,000	–	–	4,067,517	–	–	–	–	–	4,067,517
Change in unrestricted net assets	(36,888,167)	2,124,319	(649,690)	263,583	(584,291)	2,782,373	2,102,628	(263,583)	(31,112,828)	221,708	593,299	–	(3,836,419)	(257,847)	(34,392,087)
Temporarily restricted net assets															
Contributions	6,676,141	3,031,458	–	–	–	7,589,350	–	(6,676,141)	10,620,808	–	–	–	–	–	10,620,808
Investment income	–	–	–	–	–	262,356	–	–	262,356	–	–	–	–	–	262,356
Grant distributions	–	–	–	–	–	(1,293,007)	–	–	(1,293,007)	–	–	–	–	–	(1,293,007)
Net assets released from restriction	(286,105)	(1,211,517)	–	–	–	(2,781,000)	–	286,105	(3,992,517)	–	–	–	–	–	(3,992,517)
Change in temporarily restricted net assets	6,390,036	1,819,941	–	–	–	3,777,699	–	(6,390,036)	5,597,640	–	–	–	–	–	5,597,640
Permanently restricted net assets															
Investment income	–	–	–	–	–	39,161	–	–	39,161	–	–	–	–	–	39,161
Change in permanently restricted net assets	–	–	–	–	–	39,161	–	–	39,161	–	–	–	–	–	39,161
Increase (decrease) in net assets	(30,498,131)	3,944,260	(649,690)	263,583	(584,291)	6,599,233	2,102,628	(6,653,619)	(25,476,027)	221,708	593,299	–	(3,836,419)	(257,847)	(28,755,286)
Net assets, beginning of period	307,524,176	13,941,536	10,579,228	4,758,175	4,339,062	17,301,567	17,014,946	(7,871,583)	367,587,107	3,372,915	1,238,329	1,198,072	4,956,663	(1,815,873)	376,537,213
Net assets, end of period	<u>\$ 277,026,045</u>	<u>\$ 17,885,796</u>	<u>\$ 9,929,538</u>	<u>\$ 5,021,758</u>	<u>\$ 3,754,771</u>	<u>\$ 23,900,800</u>	<u>\$ 19,117,574</u>	<u>\$ (14,525,202)</u>	<u>\$ 342,111,080</u>	<u>\$ 3,594,623</u>	<u>\$ 1,831,628</u>	<u>\$ 1,198,072</u>	<u>\$ 1,120,244</u>	<u>\$ (2,073,720)</u>	<u>\$ 347,781,927</u>

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