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Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2012

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2012 calendar year, or tax year beginning **OCT 1, 2012** and ending **JUN 30, 2013**

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	C Name of organization AFFINITY HEALTH SYSTEM, INC.		D Employer identification number 39-1568866
	Doing Business As		E Telephone number (920) 720-1300
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 41,198,772.
	1570 MIDWAY PLACE		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)
City, town, or post office, state, and ZIP code MENASHA, WI 54952		H(c) Group exemption number	
F Name and address of principal officer JEFF BADGER SAME AS C ABOVE			
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.AFFINITYHEALTH.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: 1986	M State of legal domicile: IL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	TO PROMOTE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE, ESPECIALLY THE POOR.		
	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	15	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10	
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	520	
	6	Total number of volunteers (estimate if necessary)	6	10	
	7	a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.	
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.		
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 52,415.	Current Year 28,183.	
	9	Program service revenue (Part VIII, line 2g)	67,538,278.	41,143,276.	
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,495,604.	1,194.	
	11	Other revenue (Part VIII, column (A), lines 5-6d, 8c, 9c, 10c, and 11e)	0.	6,010.	
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	69,086,297.	41,178,663.	
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	77,835.	92,710.
		14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
		15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	38,314,319.	27,331,571.
		16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
		16b	Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
		17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	34,328,267.	13,747,178.
		18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	72,720,421.	41,171,459.
19	Revenue less expenses. Subtract line 18 from line 12	-3,634,124.	7,204.		
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 128,080,999.	End of Year 49,520,625.	
	21	Total liabilities (Part X, line 26)	20,895,281.	33,409,693.	
	22	Net assets or fund balances Subtract line 21 from line 20	107,185,718.	16,110,932.	

Part II Signature Block

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

Sign Here	Signature of officer			Date	5/13/14
	JEFF BADGER, MHC VICE PRES CORP FIN & TREAS	Type or print name and title			
Paid Preparer Use Only	Print/type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	RACHEL BECKER		5/12/14	<input type="checkbox"/>	P00966076
	Firm's name	Firm's EIN			
	DELOITTE TAX LLP	86-1065772			
	Firm's address	Phone no.			
	555 EAST WELLS STREET, SUITE 1400 MILWAUKEE, WI 53202	(414) 271-3000			

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

SCANNED JUN 18 2014

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Part III Statement of Program Service Accomplishments

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

Input box for Schedule O check

1 Briefly describe the organization's mission

THE MISSION OF AFFINITY HEALTH SYSTEM, INC. IS TO LIVE OUT THE HEALING MINISTRY OF CHRIST BY PROVIDING SERVICES THAT PROMOTE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE, ESPECIALLY THE POOR.

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 checkboxes

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 checkboxes

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 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 \$ 23,180,047. including grants of \$ 92,710.) (Revenue \$ 41,143,276.)

THE ENTITY BELIEVES IN MEETING THE HEALTHCARE NEEDS OF THE POOR, INDIGENT, AND UNDERSERVED. CARE IS PROVIDED TO THE PATIENTS WITHOUT REGARDS FOR ABILITY TO PAY. THE ENTITY PROVIDES ADMINISTRATIVE SUPPORT TO THREE HOSPITALS, AND TWENTY-FIVE CLINIC LOCATIONS. THE ENTITY ALSO PROVIDES. FREE NEWSLETTERS FOCUSING ON WOMEN'S HEALTH ISSUES, CHILDREN'S HEALTH, AND SAFETY ISSUES HEALTH; INFORMATION SPOTS ON TELEVISION AND RADIO CLASSES ON A VARIETY OF HEALTH RELATED TOPICS INCLUDING PREGNANCY AND CHILD REARING.

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 23,180,047.

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>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
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>		X
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>		X
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>		X
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>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
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>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; 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>		X
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>		X
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>	X	
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>		X
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>		X
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>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
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 and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, 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, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
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>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, description, input field, and Yes/No columns. Includes questions 1a through 14b regarding IRS filings and tax compliance.

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

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 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?	X	
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
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?	X	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
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		X

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?		X
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
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?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	X	
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?		X
16b	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?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **WI**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 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 during the tax year
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **▶**
JEFF BADGER, VP CORP FIN & TRS - (920) 720-1300
222 W. COLLEGE AVENUE, 3RD FLOOR, APPLETON, WI 54911

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(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			
(1) NICK DESIEN (END BOARD 12/12) BOARD MEMBER/MHC CEO	0.40 40.00	X		X				0.	2,082,433.	52,493.
(2) STEPHEN C. MORTON CHAIRMAN	0.40 1.00	X		X				0.	0.	0.
(3) JOHN RUSSO VICE CHAIRMAN	0.40 1.00	X		X				0.	0.	0.
(4) WAYNE TREMBLY BOARD SECRETARY	0.40 1.00	X		X				0.	0.	0.
(5) KATHRYN SIEMAN BOARD TREASURER	0.40 1.00	X		X				0.	0.	0.
(6) CATHERINE TIERNEY (START 1/13) BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(7) MONICA VOMASTIC BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(8) MARK W. FAUSTICH, M.D. BOARD MEMBER	0.40 40.00	X						0.	460,655.	33,911.
(9) THOMAS SCHMIDT (END 12/12) BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(10) RICHARD WELLS (END 12/12) BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(11) MARY HARP-JIRSCHLE BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(12) JOSEPH MCCORMICK, M.D. BOARD MEMBER	0.40 40.00	X						0.	910,785.	38,935.
(13) STACEY SENSOR, D.O. BOARD MEMBER	0.40 40.00	X						0.	556,784.	41,703.
(14) SUDEEP SODHI, M.D. (START 1/13) BOARD MEMBER	0.40 40.00	X						0.	971,771.	45,877.
(15) BARBARA J. STRAND, M.D. BOARD MEMBER	0.40 40.00	X						0.	262,814.	31,874.
(16) LANE BARNES (START 1/13) BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(17) FREDERICK KLEIN, M.D. BOARD MEMBER	0.40 1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(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			
(18) JAY SAUTER (START 1/13) BOARD MEMBER	0.40 1.00	X						0.	0.	0.
(19) DANIEL NEUFELDER SR. VP - HOSPITAL OPS	0.40 40.00	X		X				866,665.	0.	91,275.
(20) WILLIAM J. CALHOUN VP EASTERN REGION	0.40 40.00	X		X				310,547.	0.	37,261.
(21) JEFFREY FRANCIS MINISTRY HEALTH CARE CFO	10.00 30.00			X				0.	544,868.	118,082.
(22) JEFF BADGER VP - CORPORATE FIN & TREAS	10.00 30.00			X				499,207.	0.	72,228.
(23) VINCENT GALLUCCI SR. VP - CHIEF ADMIN OFFICER	10.00 30.00				X			381,623.	0.	49,418.
(24) SHEILA JENKINS NETWORK HTH PLAN PRESIDENT	10.00 30.00				X			514,139.	0.	72,241.
(25) MARK W. KEHRBERG AHS CHIEF MEDICAL OFFICER	10.00 30.00				X			414,516.	0.	60,121.
(26) GARY A. KUSNIERZ VP - PERFORMANCE EXCELLENCE	40.00 0.00				X			229,694.	0.	37,925.
1b Sub-total								3,216,391.	5,790,110.	783,344.
c Total from continuation sheets to Part VII, Section A								1,343,980.	237,286.	194,633.
d Total (add lines 1b and 1c)								4,560,371.	6,027,396.	977,977.

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 **25**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization 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
MINISTRY HEALTH CARE, INC., 11925 LAKE PARK DR., STE 100, MILWAUKEE, WI 53224	I.S. SERVICES	2,508,341.
HURON CONSULTING 3005 MOMENTUM PLACE, CHICAGO, IL 60689	PROFESSIONAL FEE CONSULTING	2,060,000.
GE MEDICAL SYSTEMS, 5517 COLLECTIONS CENTER DR., CHICAGO, IL 60693	I.S. SERVICES	1,307,786.
STATE COLLECTION SERVICE 2509 S STOUGHTON ROAD, MADISON, WI 53716	COLLECTION	1,176,060.
MEDICAL INFORMATION TECHNOLOGY MEDITECH CIRCLE, WESTWOOD, MA 02090	I.S. SERVICES	633,289.

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 **19**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VIII Statement of Revenue

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

			(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	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	8,932.				
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	19,251.				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			28,183.			
Program Service Revenue	2 a SVCS TO AFFILIATES	Business Code	561000	40,920,073.	40,920,073.		
	b MISC. OPERATING REV.		561000	188,210.	188,210.		
	c LAMAZE CLASSES		561000	34,993.	34,993.		
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			41,143,276.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			694.		694.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less. cost or other basis and sales expenses			20,609.		
		c Gain or (loss)			20,109.		
		d Net gain or (loss)			500.		500.
	8 a 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					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a NON OPERATING REV.		900099	6,010.			6,010.	
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			6,010.				
12 Total revenue. See instructions.			41,178,663.	41,143,276.	0.	7,204.	

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)

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	92,710.	92,710.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,432,685.		2,432,685.	
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	17,443,543.	10,251,392.	7,192,151.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	742,554.	742,554.		
9 Other employee benefits	5,367,382.	2,644,071.	2,723,311.	
10 Payroll taxes	1,345,407.	1,345,407.		
11 Fees for services (non-employees):				
a Management				
b Legal	-67,550.		-67,550.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,205,281.	1,030,448.	174,833.	
12 Advertising and promotion				
13 Office expenses	624,846.	263,528.	361,318.	
14 Information technology				
15 Royalties				
16 Occupancy	1,945,816.	669,335.	1,276,481.	
17 Travel	568,165.	326,761.	241,404.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,972,384.	2,972,384.		
23 Insurance	3,353.	3,353.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES	5,440,045.	2,619,376.	2,820,669.	
b DRUGS	75,087.	75,087.		
c FOOD	47,229.	18,090.	29,139.	
d DUES	35,707.	13,152.	22,555.	
e All other expenses	896,815.	112,399.	784,416.	
25 Total functional expenses. Add lines 1 through 24e	41,171,459.	23,180,047.	17,991,412.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	100.	1	101.
	2 Savings and temporary cash investments	955,354.	2	13,240,482.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	10,285,746.	4	11,270,258.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	846,694.	8	842,858.
	9 Prepaid expenses and deferred charges	897,313.	9	1,227,311.
	10a Land, buildings, and equipment. cost or other basis Complete Part VI of Schedule D	10a 19,490,263.		
	b Less accumulated depreciation	10b 570,272.	16,009,167.	10c 18,919,991.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	2,943,912.
	15 Other assets See Part IV, line 11	99,086,625.	15	1,075,712.
16 Total assets. Add lines 1 through 15 (must equal line 34)	128,080,999.	16	49,520,625.	
Liabilities	17 Accounts payable and accrued expenses	13,164,422.	17	25,258,366.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other 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	7,730,859.	25	8,151,327.
	26 Total liabilities. Add lines 17 through 25	20,895,281.	26	33,409,693.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	107,185,718.	27	16,110,932.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), 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	107,185,718.	33	16,110,932.	
34 Total liabilities and net assets/fund balances	128,080,999.	34	49,520,625.	

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	41,178,663.
2	Total expenses (must equal Part IX, column (A), line 25)	2	41,171,459.
3	Revenue less expenses. Subtract line 2 from line 1	3	7,204.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	107,185,718.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-91,081,990.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	16,110,932.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
 If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both.
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
 If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both.
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

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

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Department of the Treasury
Internal Revenue Service

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

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

Open to Public Inspection

Name of the organization: **AFFINITY HEALTH SYSTEM, INC.** Employer identification number: **39-1568866**

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

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

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

(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 monetary support
			Yes	No	Yes	No	Yes	No	
MERCY MEDICAL CENTER	39-0806268	3	X		X		X		0.
MERCY HEALTH FOUNDATION	23-7140261	9	X		X		X		0.
ST. ELIZABETH HOSPITAL, INC.	39-0816818	3	X		X		X		0.
ST. ELIZABETH HOSPITAL FOUNDATION	39-1256677	7	X		X		X		0.
NETWORK HEALTH SYSTEM, INC.	39-1127163	3	X		X		X		0.
Total	6								0.

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

Schedule A (Form 990 or 990-EZ) 2012

SEE PART IV FOR LINE 11 CONTINUATION

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

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

(Complete only if you checked the box on line 9 of Part I 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

- 19a** 33 1/3% support tests - 2012. 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 - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- 20** Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

SCHEDULE A, PART IV, REASONS FOR SHORT PERIOD RETURN:

EFFECTIVE APRIL 1, 2013, MINISTRY HEALTH CARE, THE PARENT OF THE FILING

ORGANIZATION, WAS ACQUIRED BY ASCENSION HEALTH. ASCENSION HEALTH IS A

SUBSIDIARY OF ASCENSION HEALTH ALLIANCE. AS PART OF THE ACQUISITION, THE

ORGANIZATION CHANGED ITS TAX YEAR TO JUNE 30 IN ORDER TO ALIGN WITH THE

TAX YEAR OF ASCENSION HEALTH. AMOUNTS REPORTED ON SCHEDULE A, PART II FOR

THE 2012 TAX YEAR REPRESENT THE SHORT PERIOD OCTOBER 1, 2012 THROUGH JUNE

30, 2013.

SCHEDULE A, PART I, LINE 11(I)(VII) - MONETARY SUPPORT PROVIDED TO

SUPPORTED ORGANIZATIONS:

AFFINITY HEALTH SYSTEMS SUPPORTS THE PROVISION OF HEALTHCARE SERVICES AT

THE CORPORATIONS TO WHICH IT IS A MEMBER BY THE PROVISION OF CENTRALIZED

ADMINISTRATIVE SUPPORT, INCLUDING REVENUE CYCLE, ADMINISTRATIVE COSTS,

COMPLIANCE/CORPORATE INTEGRITY, TELECOMMUNICATIONS, BUSINESS SERVICES,

HUMAN RESOURCES, AND MARKETING. COSTS OF CERTAIN OF THESE DEPARTMENTS ARE

CHARGED TO THE MEMBERS THROUGH A MANAGEMENT FEE. TRANSACTIONS WITH EACH

MEMBER ARE DELINEATED ON SCHEDULE R.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection.

Name of the organization

AFFINITY HEALTH SYSTEM, INC.

Employer identification number

39-1568866

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 type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- Number of states where property subject to conservation easement is located ▶ _____
- 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
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- In Part XIII, 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.

- If the organization elected, as permitted under SFAS 116 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items
- If the organization elected, as permitted under SFAS 116 (ASC 958), 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	▶ \$ _____
- 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 (ASC 958) relating to these items.

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

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

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

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

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

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 XIII 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 XIII. Check here if the explanation has been provided in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
- b Permanent endowment %
- c Temporarily restricted endowment %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		364,043.	7,592.	356,451.
c Leasehold improvements				
d Equipment		11,502,222.	557,175.	10,945,047.
e Other		7,623,998.	5,505.	7,618,493.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				18,919,991.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PENSION LIABILITY	7,075,615.
(3) 457B PLAN LIABILITY	1,075,712.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25)	8,151,327.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI 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 XIII)	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 XIII)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)		5

Part XII 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 XIII)	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 XIII)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)		5

Part XIII 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, line 2, Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.
 PART X, LINE 2: AS INDICATED ON SCHEDULE A, PART IV, MINISTRY HEALTH

CARE, THE PARENT OF THE FILING ORGANIZATION, WAS ACQUIRED BY ASCENSION

HEALTH, EFFECTIVE APRIL 1, 2013. THE FILING ORGANIZATION WAS INCLUDED IN

MINISTRY HEALTH CARE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD OCTOBER

1, 2012 THROUGH MARCH 31, 2013, AND IN THE ASCENSION HEALTH FINANCIAL

STATEMENTS FOR THE PERIOD APRIL 1, 2013 THROUGH JUNE 30, 2013. THE

FINANCIAL STATEMENTS FOR MINISTRY HEALTH CARE INCLUDED THE FOLLOWING

FOOTNOTE RELATED TO UNCERTAIN TAX POSITIONS: MINISTRY RECOGNIZES THE TAX

Part XIII Supplemental Information (continued)

BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT
THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING
AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. EXAMPLES OF
TAX POSITIONS FOR MINISTRY'S NOT-FOR-PROFIT CORPORATIONS INCLUDE THEIR
TAX-EXEMPT STATUS AND VARIOUS POSITIONS RELATED TO THE POTENTIAL SOURCES
OF UNRELATED BUSINESS TAXABLE INCOME (UBIT). THE TAX BENEFITS RECOGNIZED
IN THE FINANCIAL STATEMENTS FROM SUCH A POSITION ARE MEASURED BASED ON THE
LARGEST BENEFIT THAT HAS A GREATER THAN 50 PERCENT LIKELIHOOD OF BEING
REALIZED UPON ULTIMATE SETTLEMENT.

2012

Open to Public Inspection

SCHEDULE I (Form 990)
 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.

Name of the organization
AFFINITY HEALTH SYSTEM, INC.
 Employer identification number
39-1568866

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
 Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.
Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOX CITITES UNITED WAY 1455 MIDWAY ROAD MENASHA, WI 54952	39-0912895	SECTION 501(C)(3)	46,290.	0.			TO ASSIST ORGANIZATION'S PROGRAMS
OSHKOSH AREA UNITED WWAY 36 BROAD STREET OSHKOSH, WI 54901	39-1017908	SECTION 501(C)(3)	15,000.	0.			TO ASSIST ORGANIZATION'S PROGRAMS
N.E.W. MENTAL HEALTH CONNECTION 1478 KENWOOD DRIVE, SUITE 1 MENASHA, WI 54952	45-2657700	SECTION 501(C)(3)	15,000.	0.			TO ASSIST ORGANIZATION'S PROGRAMS
FOX CITIES CHAMBER OF COMMERCE P.O. BOX 1855 APPLETON, WI 54912	39-1248133	SECTION 501(C)(3)	12,000.	0.			TO ASSIST ORGANIZATION'S PROGRAMS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **4.**

3 Enter total number of other organizations listed in the line 1 table **0.**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) (2012)

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

AFFINITY HEALTH SYSTEM, INC.

Employer identification number

39-1568866

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

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

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

a Receive a severance payment or change of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

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

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

	Yes	No
1b	X	
2	X	
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2012

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

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

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

(A) Name and Title	(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) NICK DESIEN (END BOARD 12/12)	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER/MHC CEO	1,002,960.	363,859.	715,614.	15,000.	37,493.	2,134,926.	0.
(2) MARK W. FAUSTICH, M.D.	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	457,797.	0.	2,858.	26,254.	7,657.	494,566.	0.
(3) JOSEPH MCCORMICK, M.D.	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	906,717.	0.	4,068.	17,969.	20,966.	949,720.	0.
(4) STACEY SENSOR, D.O.	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	554,977.	0.	1,807.	21,140.	20,563.	598,487.	0.
(5) SUDEEP SODHI, M.D. (START 1/13)	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	967,595.	0.	4,176.	21,108.	24,769.	1,017,648.	0.
(6) BARBARA J. STRAND, M.D.	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	259,244.	0.	3,570.	21,136.	10,738.	294,688.	0.
(7) DANIEL NEUFELDER	849,936.	0.	16,729.	67,754.	23,521.	957,940.	0.
SR. VP - HOSPITAL OPS	0.	0.	0.	0.	0.	0.	0.
(8) WILLIAM J. CALHOUN	299,550.	0.	10,997.	17,186.	20,075.	347,808.	0.
VP EASTERN REGION	0.	0.	0.	0.	0.	0.	0.
(9) JEFFREY FRANCIS	0.	0.	0.	0.	0.	0.	0.
MINISTRY HEALTH CARE CFO	412,117.	101,642.	31,109.	91,804.	26,278.	662,950.	0.
(10) JEFF BADGER	475,267.	0.	23,940.	45,167.	27,061.	571,435.	0.
VP - CORPORATE FIN & TREAS	0.	0.	0.	0.	0.	0.	0.
(11) VINCENT GALLUCCI	364,727.	0.	16,896.	28,662.	20,756.	431,041.	0.
SR. VP - CHIEF ADMIN OFFICER	0.	0.	0.	0.	0.	0.	0.
(12) SHEILA JENKINS	490,804.	0.	23,335.	46,385.	25,856.	586,380.	0.
NETWORK HTH PLAN PRESIDENT	0.	0.	0.	0.	0.	0.	0.
(13) MARK W. KEHRBERG	404,541.	0.	9,975.	40,959.	19,162.	474,637.	0.
AHS CHIEF MEDICAL OFFICER	0.	0.	0.	0.	0.	0.	0.
(14) GARY A. KUSNIERZ	227,807.	0.	1,887.	19,470.	18,455.	267,619.	0.
VP - PERFORMANCE EXCELLENCE	0.	0.	0.	0.	0.	0.	0.
(15) CHRISTINE GRIGER	386,207.	0.	16,135.	22,932.	30,772.	456,046.	0.
CHIEF INFORMATION OFFICER	0.	0.	0.	0.	0.	0.	0.
(16) THOMAS VEESER	224,380.	0.	10,686.	0.	0.	235,066.	0.
CHIEF NURSING OFFICER	0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A: BUSINESS TRAVEL EXPENSES FOR SPOUSES OF EXECUTIVES AND

GOLF CLUB MEMBERSHIP FOR EXECUTIVES ARE REIMBURSED AS PART OF THEIR

EXECUTIVE FLEX CREDIT ACCOUNT. RECEIPTS ARE PROVIDED TO SR. ADMINISTRATIVE

ASSISTANT IN HR WHO REVIEWS FOR ACCURACY, COMPLETES A REIMBURSEMENT FORM

WITH SUBSTANTIATION TO PAYROLL FOR REIMBURSEMENT. THESE REIMBURSEMENTS ARE

TAXABLE, AND WHEN ADDED TO THE COMPENSATION PACKAGE TAKEN AS A WHOLE HAVE

BEEN INCLUDED WHEN COMPARED TO THE COMPENSATION STUDIES.

PART I, LINE 3: MINISTRY HEALTH CARE, INC., A RELATED ORGANIZATION OF

AFFINITY HEALTH SYSTEM, INC USES THE FOLLOWING TO ESTABLISH THE

COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR:

- COMPENSATION COMMITTEE

- INDEPENDENT COMPENSATION CONSULTANT

- COMPENSATION SURVEY OR STUDY, AND

- APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

PART I, LINE 4B: THESE EXECUTIVES PARTICIPATE IN A PROGRAM THAT

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PROVIDES FOR SUPPLEMENTAL RETIREMENT BENEFITS. THE PAYMENT OF BENEFITS

UNDER THE PROGRAM, IF ANY, IS ENTIRELY DEPENDENT UPON THE FACTS AND

CIRCUMSTANCES UNDER WHICH THE EXECUTIVE TERMINATES EMPLOYMENT WITH THE

ORGANIZATION. BENEFITS UNDER THE PROGRAM ARE UNFUNDED AND NON-VESTED. DUE

TO THE SUBSTANTIAL RISK OF FORFEITURE PROVISION, THERE IS NO GUARANTEE THAT

THESE EXECUTIVES WILL EVER RECEIVE ANY BENEFIT UNDER THE PROGRAM. ANY

AMOUNT ULTIMATELY PAID UNDER THE PROGRAM TO THE EXECUTIVE IS REPORTED AS

COMPENSATION ON FORM 990, SCHEDULE J, PART II, COLUMN B IN THE YEAR PAID.

CONTRIBUTIONS:

JEFFREY FRANCIS - \$71,804

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 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization

AFFINITY HEALTH SYSTEM, INC.

Employer identification number

39-1568866

FORM 990, PART VI, SECTION A, LINE 2: DANIEL NEUFELDER AND KATHRYN SIEMAN

HAVE A BUSINESS RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 6: AFFINITY HEALTH SYSTEM, INC. HAS A

SINGLE CORPORATE MEMBER, MINISTRY HEALTH CARE, INC.

FORM 990, PART VI, SECTION A, LINE 7A: AFFINITY HEALTH SYSTEM, INC. HAS A

SINGLE CORPORATE MEMBER, MINISTRY HEALTH CARE, INC. WHO HAS THE ABILITY TO

ELECT MEMBERS TO THE GOVERNING BODY OF THE OUR LADY OF VICTORY HOSPITAL.

FORM 990, PART VI, SECTION A, LINE 7B: ALL DECISIONS THAT HAVE A MATERIAL

IMPACT TO AFFINITY HEALTH SYSTEM, INC. FINANCIAL INFORMATION OR CORPORATION

AS A WHOLE ARE SUBJECT TO APPROVAL BY ITS SOLE CORPORATE MEMBER, MINISTRY

HEALTH CARE, INC.

FORM 990, PART VI, SECTION B, LINE 11: MANAGEMENT, INCLUDING CERTAIN

OFFICERS, WORKS DILIGENTLY TO COMPLETE THE FORM 990 AND ATTACHED SCHEDULES

IN A THOROUGH MANNER. PRIOR TO FILING THE RETURN, ALL BOARD MEMBERS ARE

PROVIDED THE FORM 990 AND MANAGEMENT TEAM MEMBERS ARE AVAILABLE TO ANSWER

ANY BOARD MEMBERS QUESTIONS.

FORM 990, PART VI, SECTION B, LINE 12C: THE ORGANIZATION REGULARLY AND

CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST

POLICY IN THAT ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE

WITH GOVERNING BOARD DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT

FINANCIAL INTEREST, MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST

Name of the organization AFFINITY HEALTH SYSTEM, INC.	Employer identification number 39-1568866
--	--

AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT. THE REMAINING INDIVIDUALS ON THE GOVERNING BOARD OR COMMITTEE MEETING WILL DECIDE IF CONFLICTS OF INTEREST EXIST. EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS ANNUALLY SIGNS A STATEMENT WHICH AFFIRMS SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE ORGANIZATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ITS TAX-EXEMPT PURPOSE.

FORM 990, PART VI, SECTION B, LINE 15: IN DETERMINING COMPENSATION OF THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION. THE COMPENSATION COMMITTEE, WHICH IS ASSISTED BY AN INDEPENDENT CONSULTING FIRM, REVIEWED AND APPROVED THE COMPENSATION. IN THE REVIEW OF THE COMPENSATION, THE CEO, EXECUTIVE DIRECTOR, AND TOP MANAGEMENT WERE COMPARED TO OTHER ORGANIZATIONS IN THE AREA THAT HOLD THE SAME TITLE. DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES. INDIVIDUALS WERE NOT PRESENT WHEN THEIR COMPENSATION WAS DECIDED.

IN DETERMINING COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION. THE COMPENSATION COMMITTEE, ASSISTED BY AN

Name of the organization

AFFINITY HEALTH SYSTEM, INC.

Employer identification number

39-1568866

INDEPENDENT CONSULTING FIRM, REVIEWED AND APPROVED THE COMPENSATION. IN THE
 REVIEW OF THE COMPENSATION, THE OTHER OFFICERS OR KEY EMPLOYEES OF THE
 ORGANIZATION WERE COMPARED TO OTHER ORGANIZATIONS' EMPLOYEES IN THE AREA
 THAT HOLD THE SAME TITLE. DURING THE REVIEW AND APPROVAL OF THE
 COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD
 MINUTES.

FORM 990, PART VI, SECTION C, LINE 19: THE MINISTRY WEB PAGE IS AVAILABLE
 TO THE PUBLIC FOR INSPECTION WITH A GOOD DEAL OF INFORMATION REGARDING WHO
 MINISTRY HEALTH CARE IS AND THE ENTITIES INCLUDED ALONG WITH OUR MISSION.
 THE ARTICLES OF INCORPORATION, BYLAWS, CONFLICTS POLICY AND FINANCIAL
 STATEMENTS ARE NOT INCLUDED ON ANY WEB PAGE. HOWEVER, IF ANY INQUIRY IS
 MADE FOR ANY DOCUMENTS THEY ARE SHARED AS APPROPRIATE.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

EQUITY INVESTMENT IN NETWORK HEALTH PLAN	5,737,481.
WRITE-DOWN OF INVESTMENT IN NETWORK HEALTH PLAN	117,722,895.
ASCENSION ADJUSTMENT	-214,542,366.
TOTAL TO FORM 990, PART XI, LINE 9	-91,081,990.

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
CALUMET MEDICAL CENTER, INC. - 39-0905385 614 MEMORIAL DRIVE CHILTON, WI 53014	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	AFFINITY HEALTH SYSTEM		X
CATALPA HEALTH - 45-4681563 N4642 COUNTY N APPLETON, WI 54914	MENTAL HEALTH FACILITY	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	AFFINITY HEALTH SYSTEM		X
COMMUNITY FOUNDATION OF ST. MICHAELS HOSPITAL - 39-1657410, 900 ILLINOIS AVENUE, STEVENS POINT, WI 54481	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 11A	ST. MICHAEL'S HOSP OF STEVENS POINT, INC.		X
DOOR COUNTY MEMORIAL HOSPITAL - 39-0806324 323 SOUTH 18TH AVENUE STURGEON BAY, WI 54235	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
DR KATE NEWCOMB CONVALESCENT CENTER - 39-1357365, P.O. BOX 829, WOODRUFF, WI 54568	LTC FACILITY	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	HOWARD YOUNG HEALTH CARE, INC.		X
EAGLE RIVER MEMORIAL HOSPITAL - 39-0985690 201 HOSPITAL ROAD EAGLE RIVER, WI 54521	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	HOWARD YOUNG MEDICAL CENTER, INC.		X
FOUNDATION OF ST. CLARE'S HOSPITAL OF WESTON, INC. - 73-3193633, 3400 MINISTRY PARKWAY, WESTON, WI 54476	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 11A	ST. CLARE'S HOSPITAL OF WESTON, INC.		X
FOUNDATION OF ST. JOSEPH'S HOSPITAL OF MARSHFIELD - 39-1684957, 611 SAINT JOSEPH AVENUE, MARSHFIELD, WI 54449	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 11A	ST. JOSEPH'S HOSPITAL OF MARSHFIELD, INC.		X
GOOD SAMARITAN HEALTH CENTER - 39-0808503 601 SOUTH CENTER AVENUE MERRILL, WI 54452	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
GOOD SAMARITAN HEALTH CENTER FOUNDATION - 39-1627755, 601 SOUTH CENTER AVENUE, MERRILL, WI 54452	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 11A	MINISTRY HEALTH CARE, INC.		X
HOWARD YOUNG FOUNDATION, INC. - 39-1521169 240 MAPLE STREET WOODRUFF, WI 54568	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 7	MINISTRY HEALTH CARE, INC.		X
HOWARD YOUNG HEALTH CARE, INC. - 39-1499115 240 MAPLE STREET WOODRUFF, WI 54568	HOME OFFICE	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
HOWARD YOUNG MEDICAL CENTER - 39-0873606 240 MAPLE STREET WOODRUFF, WI 54568	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	HOWARD YOUNG HEALTH CARE, INC.		X
MERCY HEALTH FOUNDATION, INC. - 23-7140261 P.O. BOX 3370 OSHKOSH, WI 54903	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 9	AFFINITY HEALTH SYSTEM		X
MERCY MEDICAL CENTER - 39-0806268 500 S OAKWOOD ROAD OSHKOSH, WI 54904	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
MINISTRY HOME CARE - 39-1936201 611 ST. JOSEPH AVENUE, 4S MARSHFIELD, WI 54449	HOME CARE/HOSPICE	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
MINISTRY MEDICAL GROUP - 39-1965593 824 ILLINOIS AVENUE STEVENS POINT, WI 54481	CLINICS	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
MINISTRY WEIGHT MANAGEMENT, INC. - 39-1829015, 2251 NORTH SHORE DRIVE, RHINELANDER, WI 54501	HEALTH SERVICES	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	SACRED HEART/ST. MARY'S HOSPITAL, INC.		X
NETWORK HEALTH SYSTEM, INC. - 39-1127163 1570 APPLETON RD. MENASHA, WI 54952	CLINICAL HEALTHCARE SERVICES	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	AFFINITY HEALTH SYSTEM		X
OUR LADY OF VICTORY HOSPITAL, INC. - 39-0807065, 1120 PINE STREET, STANLEY, WI 54768	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
SACRED HEART/ST. MARY'S HOSPITALS - 39-1390638, P.O. BOX 347, STEVENS POINT, WI 54481	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
ST. CLARE'S HOSPITAL OF WESTON, INC. - 72-1531917, 3400 MINISTRY PARKWAY, WESTON, WI 54766	HOSPITAL	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
ST. ELIZABETH MEDICAL CENTER - 41-0693877 1200 GRANT BLVD, WEST WABASHA, MN 55981	HOSPITAL	MINNESOTA	SECTION 501(C)(3)	SCHEDULE A, LINE 3	MINISTRY HEALTH CARE, INC.		X
ST. ELIZABETH HOSPITAL FOUNDATION, INC. - 39-1256677, 1506 S. ONEIDA STREET, APPLETON, WI 54915	CHARITABLE FOUNDATION	WISCONSIN	SECTION 501(C)(3)	SCHEDULE A, LINE 7	AFFINITY HEALTH SYSTEM		X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
DIAGNOSTIC & TREATMENT CENTER - 20-0691634, 3401 CRANBERRY BOULEVARD, WESTON, WI 54476	ANCILLARY	WI	N/A	N/A	N/A	N/A			N/A			N/A
TWIN MED, LLP - 39-1180341 P.O. BOX 8005 MENASHA, WI 54952	RENTAL PROPERTY	WI	N/A	N/A	N/A	N/A			N/A			N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
NETWORK HEALTH PLAN, INC. - 39-1442058 1570 MIDWAY PLACE MENASHA, WI 54952	INSURANCE	WI	N/A	C CORP	N/A	N/A	N/A		X
NETWORK HEALTH INSURANCE CORPORATION - 39-2020474, 1570 MIDWAY PLACE, MENASHA, WI 54952	INSURANCE	WI	N/A	C CORP	N/A	N/A	N/A		X

