

Form 990 Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 <div style="font-size: 2em; font-weight: bold;">2010</div> Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011																											
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization METROPOLITAN HOSPITAL</td> <td rowspan="3" style="width:20%; vertical-align: top;">D Employer identification number 38-0593405</td> </tr> <tr> <td colspan="2">Doing Business As METRO HEALTH HOSPITAL</td> </tr> <tr> <td style="width:60%;">Number and street (or P O box if mail is not delivered to street address) 5900 BYRON CENTER AVENUE SW</td> <td style="width:20%;">Room/suite</td> </tr> <tr> <td colspan="2">City or town, state or country, and ZIP + 4 WYOMING, MI 49519</td> <td style="vertical-align: top;">E Telephone number (616) 252-7200</td> </tr> <tr> <td colspan="2" rowspan="2" style="vertical-align: top;"> F Name and address of principal officer TIM SUSTERICH 5900 BYRON CENTER AVENUE SW WYOMING, MI 49519 </td> <td style="vertical-align: top;">G Gross receipts \$ 282,333,959</td> </tr> <tr> <td></td> </tr> <tr> <td colspan="3" style="vertical-align: top;"> 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 </td> </tr> <tr> <td colspan="3" style="vertical-align: top;"> J Website: WWW.METROHEALTH.NET </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other </td> <td style="vertical-align: top;"> L Year of formation 1942 </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> M State of legal domicile MI </td> <td></td> </tr> </table>	C Name of organization METROPOLITAN HOSPITAL		D Employer identification number 38-0593405	Doing Business As METRO HEALTH HOSPITAL		Number and street (or P O box if mail is not delivered to street address) 5900 BYRON CENTER AVENUE SW	Room/suite	City or town, state or country, and ZIP + 4 WYOMING, MI 49519		E Telephone number (616) 252-7200	F Name and address of principal officer TIM SUSTERICH 5900 BYRON CENTER AVENUE SW WYOMING, MI 49519		G Gross receipts \$ 282,333,959		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.METROHEALTH.NET			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 1942	M State of legal domicile MI		
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Part I Summary													
Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O												
	2 Check this box <input checked="" 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	14										
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7										
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	2,431										
	6 Total number of volunteers (estimate if necessary)	6	500										
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	12,049,292										
b Net unrelated business taxable income from Form 990-T, line 34	7b	-2,235,527											
Revenue	8 Contributions and grants (Part VIII, line 1h)	1,509,804	1,464,423										
	9 Program service revenue (Part VIII, line 2g)	264,782,609	268,537,608										
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-179,684	1,903,742										
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0										
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	266,112,729	271,905,773										
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	2,486,079									
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)		108,029,015	114,564,441										
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0										
b Total fundraising expenses (Part IX, column (D), line 25) 796,633													
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		146,085,827	146,220,816										
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		254,114,842	263,271,336										
19 Revenue less expenses Subtract line 18 from line 12	11,997,887	8,634,437											
Net Assets or Fund Balances	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:60%;">Beginning of Current Year</th> <th style="width:40%;">End of Year</th> </tr> <tr> <td style="padding: 2px;">20 Total assets (Part X, line 16)</td> <td style="text-align: right; padding: 2px;">319,295,872</td> <td style="text-align: right; padding: 2px;">328,548,405</td> </tr> <tr> <td style="padding: 2px;">21 Total liabilities (Part X, line 26)</td> <td style="text-align: right; padding: 2px;">240,256,781</td> <td style="text-align: right; padding: 2px;">234,433,761</td> </tr> <tr> <td style="padding: 2px;">22 Net assets or fund balances Subtract line 21 from line 20</td> <td style="text-align: right; padding: 2px;">79,039,091</td> <td style="text-align: right; padding: 2px;">94,114,644</td> </tr> </table>		Beginning of Current Year	End of Year	20 Total assets (Part X, line 16)	319,295,872	328,548,405	21 Total liabilities (Part X, line 26)	240,256,781	234,433,761	22 Net assets or fund balances Subtract line 21 from line 20	79,039,091	94,114,644
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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 	2013-02-18 Date			
	TIM SUSTERICH CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name CAROL LALONDE CPA	Preparer's signature CAROL LALONDE CPA	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name PLANTE & MORAN PLLC				Firm's EIN
	Firm's address 750 TRADE CENTRE WAY STE 300 PORTAGE, MI 49002				Phone no (269) 567-4500

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

Part III

[illegible]

1 Briefly describe the organization's mission

IMPROVE THE HEALTH AND WELL-BEING OF OUR COMMUNITIES

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

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?

If "Yes," describe these changes on Schedule O

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

(Code) (Expenses \$	198,006,116	including grants of \$	2,486,079) (Revenue \$	256,488,316)
METRO HEALTH HOSPITAL IS A 208-BED TEACHING HOSPITAL THAT PROVIDES A COMPREHENSIVE SUITE OF INPATIENT AND OUTPATIENT HEALTHCARE SERVICES, INCLUDING FAST EMERGENCY SERVICES, CANCER AND CARDIAC CARE, ROBOTIC AND TRADITIONAL SURGERY, FAMILY PRACTICE, SPORTS MEDICINE AND OTHERS. METRO PROVIDES EDUCATION AND SCREENING PROGRAMS FOR THE COMMUNITY, EDUCATION OPPORTUNITIES FOR FUTURE DOCTORS, NURSES AND OTHER HEALTH PROFESSIONS, FINANCIAL ASSISTANCE PROGRAMS, CARE FOR THE UNDERSERVED, AND MUCH MORE DURING FISCAL YEAR 2011. METRO HEALTH WELCOMED 1686 BABIES INTO OUR COMMUNITY, CARED FOR 60,930 EMERGENCY ROOM VISITS, PERFORMED 1 108 MILLION LABORATORY TESTS AND 155,413 RADIOLOGY PROCEDURES AND COUNTED 52,074 PATIENT DAYS. METRO HEALTH'S MEDICAL EDUCATION PROGRAM INCLUDED 73 RESIDENTS, INTERNS AND MEDICAL STUDENTS.					

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	\$	198,006,116
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	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>		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>		No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		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>		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>		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>		No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		No
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 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> 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> 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> e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 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>	Yes	
11a	Yes	
11b		No
11c		No
11d	Yes	
11e	Yes	
11f	Yes	
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>		No
12b 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>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		No
14b		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		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>		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>		No
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	Yes	
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		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
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	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect 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	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
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 ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

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

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

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

	Yes	No
10a		No
10b		
11a	Yes	
11b		
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14	Yes	
15a	Yes	
15b		No
16a	Yes	
16b	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.

MARY REED
1925 BRETON SE
GRAND RAPIDS, MI 49506
(616) 252-4823

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

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

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

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

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	10,060,522	0	804,872

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶148

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
METROPOLITAN HOSPITALIST GROUP PLC 2093 HEALTH DRIVE WYOMING, MI 49509	MEDICAL SERVICES	1,742,858
CANCER AND HEMATOLOGY CENTER OF WEST MIC 710 KENMOOR SE GRAND RAPIDS, MI 49546	MEDICAL SERVICES	1,071,330
SMITH HAUGHEY RICE & ROEGGE 250 MONROE NW GRAND RAPIDS, MI 49503	LEGAL SERVICES	521,630
COLLER DALE 2093 HEALTH DRIVE SUITE 301 WYOMING, MI 49519	MEDICAL SERVICES	379,682
SAGE JOSEPH DO 2093 HEALTH DRIVE WYOMING, MI 49519	MEDICAL SERVICES	244,182

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►13

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	1,464,423			
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▶	1,464,423			
Program Service Revenue		Business Code			
	2a NET PATIENT REVENUE	541380	258,968,271	246,918,979	12,049,292
	b OTHER REVENUE	541380	9,569,337	9,569,337	
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ▶	268,537,608			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶		649,386		649,386
	4 Income from investment of tax-exempt bond proceeds . . ▶				
	5 Royalties ▶				
		(i) Real	(ii) Personal		
	6a Gross Rents				
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶				
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory	11,682,542			
	b Less cost or other basis and sales expenses	10,442,493	-14,307		
	c Gain or (loss)	1,240,049	14,307		
	d Net gain or (loss) ▶	1,254,356			1,254,356
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b Less direct expenses b				
	c Net income or (loss) from fundraising events . . ▶				
	9a Gross income from gaming activities See Part IV, line 19 . . a				
	b Less direct expenses b				
c Net income or (loss) from gaming activities . . ▶					
10a Gross sales of inventory, less returns and allowances a					
b Less cost of goods sold b					
c Net income or (loss) from sales of inventory . . ▶					
Miscellaneous Revenue	Business Code				
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d ▶					
12 Total revenue. See Instructions ▶	271,905,773	256,488,316	12,049,292	1,903,742	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	2,486,079	2,486,079		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,119,489		4,834,495	284,994
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	82,781,814	74,782,944	7,872,428	126,442
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	596,124		596,124	
9	Other employee benefits	20,494,374	306,796	20,186,097	1,481
10	Payroll taxes	5,572,640	5,261,474	276,896	34,270
a	Fees for services (non-employees)				
	Management	4,618,512	4,618,512		
b	Legal	776,839	540,052	236,787	
c	Accounting	251,808	251,808		
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	94,517		94,517	
g	Other	16,034,030	12,668,382	3,324,012	41,636
12	Advertising and promotion	2,040,699	709,888	1,073,778	257,033
13	Office expenses	4,681,449	4,495,413	155,243	30,793
14	Information technology	11,055,079	11,055,079		
15	Royalties				
16	Occupancy	17,849,504	17,737,842	111,662	
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,929,298	1,388,472	521,116	19,710
20	Interest	9,738,013	995,238	8,742,775	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	16,566,215	1,656,621	14,909,594	
23	Insurance	3,832,529	2,299,466	1,533,063	
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	41,519,146	41,518,872		274
b	BAD DEBT	15,233,178	15,233,178		
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	263,271,336	198,006,116	64,468,587	796,633
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			4,890	1	4,890
	2	Savings and temporary cash investments			15,203,760	2	31,431,201
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			26,874,716	4	27,223,871
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			4,947,756	8	5,597,976
	9	Prepaid expenses and deferred charges			5,713,765	9	6,417,742
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	302,829,383			
	b	Less: accumulated depreciation	10b	107,592,322	201,552,523	10c	195,237,061
	11	Investments—publicly traded securities			33,206,431	11	34,786,901
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			31,792,031	15	27,848,763
	16	Total assets. Add lines 1 through 15 (must equal line 34)			319,295,872	16	328,548,405
Liabilities	17	Accounts payable and accrued expenses			14,694,718	17	15,060,982
	18	Grants payable				18	
	19	Deferred revenue			1,157,853	19	1,069,354
	20	Tax-exempt bond liabilities			163,235,000	20	161,415,000
	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			14,866,638	23	14,298,366
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			46,302,572	25	42,590,059
	26	Total liabilities. Add lines 17 through 25			240,256,781	26	234,433,761
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			79,039,091	27	94,114,644
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			79,039,091	33	94,114,644
	34	Total liabilities and net assets/fund balances			319,295,872	34	328,548,405

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	271,905,773
2	Total expenses (must equal Part IX, column (A), line 25)	.	.	.	2	263,271,336
3	Revenue less expenses Subtract line 2 from line 1	.	.	.	3	8,634,437
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	.	.	.	4	79,039,091
5	Other changes in net assets or fund balances (explain in Schedule O)	.	.	.	5	6,441,116
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	94,114,644

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? . . .	2a	No
b Were the organization's financial statements audited by an independent accountant?	2b	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	2c	Yes
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" 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?	3a	No
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	3b	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
METROPOLITAN HOSPITAL

Employer identification number

38-0593405

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

(i) 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									

Part II

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

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

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

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

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

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

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

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

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

Part IV

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
METROPOLITAN HOSPITAL

Employer identification number
38-0593405

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

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

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

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

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

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

	Held at the End of the Year
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

\$

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

Cat No 52283D

Schedule D (Form 990) 2010

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

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

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

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

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

☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No

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

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

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

☐ Yes ☐ No

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

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

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

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

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

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	

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

3b

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

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		8,814,904		8,814,904
b Buildings		161,183,226	25,700,756	135,482,470
c Leasehold improvements		3,804,842	1,109,351	2,695,491
d Equipment		126,359,812	80,782,215	45,577,597
e Other		2,666,599		2,666,599
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				195,237,061

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		
Other		
Total. (Column (b) should 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
Total. (Column (b) should 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) DEFERRED CHARGE - BOND ISSUE COSTS	2,773,084
(2) OTHER ASSETS	10,070,140
(3) COST REPORT SETTLEMENTS RECEIVABLE	15,005,539
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	27,848,763

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

(a) Description of Liability	(b) Amount
1 Federal Income Taxes	
ORIGINAL BOND ISSUE PREMIUM	3,974,369
ACCRUED LIABILITIES	17,854,393
ACCURED LIABILITIES AND GENERAL LIABILITY CLAIMS	12,754,919
LINE OF CREDIT	3,300,000
COST REPORT SETTLEMENT PAYABLE	4,706,378
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	42,590,059

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

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	271,905,773
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	263,271,336
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	8,634,437
4	Net unrealized gains (losses) on investments	4	929,414
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	5,511,702
9	Total adjustments (net) Add lines 4 - 8	9	6,441,116
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	15,075,553

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	272,877,906
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	929,414
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	137,236
e	Add lines 2a through 2d	2e	1,066,650
3	Subtract line 2e from line 1	3	271,811,256
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	94,517
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	94,517
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	271,905,773

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	263,176,819
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	0
3	Subtract line 2e from line 1	3	263,176,819
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	94,517
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	94,517
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	263,271,336

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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION AND ITS SUBSIDIARIES ARE NONPROFIT, TAX-EXEMPT ORGANIZATIONS (EXCEPT FOR ME), ACCORDINGLY, NO TAX PROVISION IS REFLECTED IN THE CONSOLIDATED FINANCIAL STATEMENTS. THE PROVISION FOR TAXES RELATED TO ME IS NOT MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS. ASC IS A LIMITED LIABILITY CORPORATION AND THUS NO PROVISION HAS BEEN RECORDED. THE CORPORATION AND ITS SUBSIDIARIES ARE SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS, HOWEVER, NO AUDITS FOR ANY TAX PERIODS ARE CURRENTLY IN PROGRESS. MANAGEMENT BELIEVES IT IS NO LONGER SUBJECT TO TAX EXAMINATION FOR YEARS PRIOR TO JUNE 30, 2008. ME IS THE ABBREVIATION FOR METROPOLITAN ENTERPRISES. ASC IS THE ABBREVIATION FOR METRO HEALTH ASC, LLC.
PART XI, LINE 8 - OTHER ADJUSTMENTS		PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 5,374,466. UNREALIZED GAIN ON EQUITY INVESTMENT 137,236.
PART XII, LINE 2D - OTHER ADJUSTMENTS		UNREALIZED GAIN ON EQUITY INVESTMENT 137,236.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
METROPOLITAN HOSPITAL

Employer identification number
38-0593405

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>175.000000000000 %</u></div>	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other <u>225.000000000000 %</u></div>	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
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?		No
6a	Does the organization prepare a community benefit report during the tax year?		No
6b	If "Yes," did the organization make it available to the public?		
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			5,501,085		5,501,085	2 220 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		41,585	52,386,484	42,191,452	10,195,032	4 110 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		4,923	2,464,798	1,005,185	1,459,613	0 590 %
d Total Financial Assistance and Means-Tested Government Programs		46,508	60,352,367	43,196,637	17,155,730	6 920 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	30	92,863	262,018		262,018	0 110 %
f Health professions education (from Worksheet 5)	6	3,771	10,574,529	4,732,706	5,841,823	2 360 %
g Subsidized health services (from Worksheet 6)	1	150	40		40	0 %
h Research (from Worksheet 7)	1		227,378		227,378	0 090 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	22	12,266	260,446		260,446	0 110 %
j Total Other Benefits	60	109,050	11,324,411	4,732,706	6,591,705	2 670 %
k Total. Add lines 7d and 7j	60	155,558	71,676,778	47,929,343	23,747,435	9 590 %

Part II

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing	2	181	1,847		1,847	0 %
2 Economic development	2	1,230	1,365		1,365	0 %
3 Community support	9	2,779	10,963		10,963	0 %
4 Environmental improvements	4	95	873		873	0 %
5 Leadership development and training for community members						
6 Coalition building	11	2,027	18,648		18,648	0 010 %
7 Community health improvement advocacy	5	884	3,489		3,489	0 %
8 Workforce development	6	996	7,849		7,849	0 %
9 Other						
10 Total	39	8,192	45,034		45,034	0 010 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	5,902,806
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	5,902,806
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	80,312,686
6	Enter Medicare allowable costs of care relating to payments on line 5	6	88,840,221
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-8,527,535
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 type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

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

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, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **18**

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

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE INFORMATION USED TO CALCULATE LINE 7 IS ON THE CASH BASIS THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT OF \$15,233,178 WAS INCLUDED IN THE AMOUNT REPORTED ON THE FORM 990, PART IX, LINE 25, BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE OF PART I, LINE 7

Identifier	ReturnReference	Explanation
		<p>PART II METRO HEALTH TAKES SERIOUSLY THE OPPORTUNITY AND OBLIGATION WE HAVE TO HELP BUILD OUR COMMUNITY ORGANIZATION LEADERS ARE ENCOURAGED TO ADOPT A GOAL FOR PARTICIPATING IN COMMUNITY ACTIVITIES MANY LEADERS AND STAFF MEMBERS PLAY AN ACTIVE ROLE ON THE BOARDS AND/OR COMMITTEES OF SEVERAL HEALTH AND HUMAN SERVICE AGENCIES IN OUR COMMUNITY, SUCH AS YMCA, GRAND RAPIDS CHAMBER OF COMMERCE HEALTH CARE COMMITTEE, SENIOR NEIGHBORS, KENT HEALTH PLAN AND MORE IN ADDITION, METRO LEADERS AND STAFF MEMBERS PARTICIPATE IN ONE-DAY COMMUNITY ACTIVITIES, SUCH AS BUILDING HOUSES WITH HABITAT FOR HUMANITY, DOING HEALTH OR CAREER PRESENTATIONS IN THE COMMUNITY, VOLUNTEERING AT FOOD PANTRIES AND MORE AS AN OSTEOPATHIC TEACHING HOSPITAL, WE HAVE A SIGNIFICANT PRESENCE WITH THE MICHIGAN ASSOCIATION OF OSTEOPATHIC DIRECTORS AND MEDICAL EDUCATORS THIS ASSOCIATION HELPS TRAIN NEW PHYSICIANS AND DEVELOPS THE CURRICULUM USED FOR MEDICAL RESIDENTS AND STUDENT INTERNS THROUGHOUT OUR STATE SEVERAL MEMBERS OF OUR STAFF ARE INVOLVED IN THIS GROUP AT THE STATE LEVEL AND SPEND A LARGE NUMBER OF HOURS EVERY YEAR SERVING IN THIS CAPACITY IN FISCAL YEAR 2011, METRO HEALTH WAS THE EDUCATION SITE FOR 118 MEDICAL FELLOWS, RESIDENTS AND STUDENTS IN ADDITION, METRO HEALTH PLAYS AN ACTIVE ROLE IN THE EDUCATION OF STUDENTS AT OTHER LEVELS THROUGH A PARTNERSHIP WITH THE KENT COUNTY INTERMEDIATE SCHOOL DISTRICT (KISD), METRO PROVIDES A PLACE FOR DISABLED STUDENTS WHO ARE LEARNING JOB AND LIFE SKILLS AND DEVELOPING A SENSE OF SELF-WORTH METRO ALSO PROVIDES KISD HIGH SCHOOL STUDENTS WITH HANDS-ON LEARNING OPPORTUNITIES THESE STUDENTS GRADUATE FROM HIGH SCHOOL WITH MARKETABLE HEALTHCARE SKILLS AND A BACKGROUND FOR CONTINUING HEALTHCARE EDUCATION</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 PATIENT ACCOUNTS RECEIVABLE ARE STATED AT NET REALIZABLE AMOUNTS AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL WRITE-OFF RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE HOSPITAL'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES THIS AMOUNT ALSO INCLUDES AMOUNTS RECEIVED AS INTERIM PAYMENTS AGAINST UNPAID CLAIMS BY CERTAIN PAYORS CONTRACTUAL ADJUSTMENTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS IN THE PERIOD PAYMENT IS RECEIVED THE RATIONALE FOR INCLUDING OTHER BAD DEBT AMOUNTS IN COMMUNITY BENEFIT IS THAT THIS IS THE AMOUNT OF UNCOMPENSATED CARE TO UNINSURED AND UNDERINSURED PATIENTS</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 ALL OF THE MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT AS SERVICES THIS IS THE EXTENT TO WHICH COSTS RELATED TO MEDICARE SERVICES GO UNPAID THE COST METHODOLOGY IS THE SAME AS IN PART III LINE 4 OF THE FORM 990 AS DESCRIBED ABOVE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B METRO TRIES TO INFORM THE PATIENT IF THEY QUALIFY FOR CHARITY CARE AS SOON AS POSSIBLE BECAUSE THE PATIENT BENEFITS FROM KNOWING ABOUT THEIR FINANCIAL OBLIGATIONS AND THE HOSPITAL CAN AVOID A COSTLY COLLECTIONS PROCESS IF THE PATIENT HAS THE INABILITY TO PAY EVERY PATIENT BILL HAS THE FEDERAL POVERTY GUIDELINES ON THE BACK AND ITS ON METRO'S WEBSITE BOTH EXPLAINS THE PROCEDURES AND LIMITS FOR CHARITY CARE AND DISCOUNTING PROGRAMS PATIENT FINANCIAL REPRESENTATIVES ARE AVAILABLE TO DISCUSS FILLING OUT THE PAPERWORK FOR GOVERNMENT MEDICAL ASSISTANCE PROGRAMS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 METRO HEALTH USED EXISTING STATE, COUNTY, CITY AND HOSPITAL DATA TO ASSESS THE HEALTHCARE NEEDS OF THE COMMUNITY. NEEDS WERE ALSO CONSIDERED THROUGH VARIOUS COMMUNITY GROUPS, SUCH AS HEALTHY KENT 2020, UNITED WAY AND THE LOCAL UNIVERSITIES. SOME OF THE EXISTING DATA WAS GENERATED FROM A 2008 STUDY FOR WHICH WE HIRED AN OUTSIDE AGENCY, THE COMMUNITY RESEARCH INSTITUTE (CRI) FROM THE JOHNSON CENTER AT GRAND VALLEY STATE UNIVERSITY, TO PREPARE A COMMUNITY NEEDS ASSESSMENT. THE ASSESSMENT INCLUDED DATA FROM HEALTHY KENT 2010, A COMMUNITY COLLABORATION COMPRISED OF REPRESENTATIVES FROM THE THREE AREA HOSPITALS, THE COUNTY HEALTH DEPARTMENT, THE CITY OF GRAND RAPIDS CHAMBER OF COMMERCE, AND A WIDE VARIETY OF COMMUNITY HEALTH AGENCIES. ADDITIONALLY, WE CONSIDERED DATA FROM THE STATE OF MICHIGAN WEB SITE, WHICH HOSTS HEALTH DATA FOR EVERY COUNTY IN MICHIGAN, AND DATA FROM THE ANNUAL KENT COUNTY HEALTH DEPARTMENT BEHAVIORAL RISK FACTOR TELEPHONE SURVEY. IN FISCAL YEAR 2011, A COMMUNITY-WIDE NEEDS ASSESSMENT WAS LAUNCHED. THE KENT COUNTY HEALTH DEPARTMENT SERVED AS THE LEAD AGENCY, BRINGING TOGETHER METRO HEALTH, SAINT MARY'S HOSPITAL, SPECTRUM HEALTH, MICHIGAN STATE UNIVERSITY, GRAND VALLEY STATE UNIVERSITY AND OTHER HEALTH AND HUMAN SERVICE ORGANIZATIONS IN A COLLABORATIVE STUDY. THE RESULTS OF THIS STUDY WILL IMPACT FUTURE PROGRAMMING.</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 METRO HEALTH RECOGNIZES THAT INDIVIDUALS AND FAMILIES WHO ARE FACING FINANCIAL INSTABILITY OR HARDSHIP OFTEN NEGLECT HEALTHCARE NEEDS UNTIL THEY BECOME EMERGENT CONDITIONS THIS PRACTICE PLACES STRESS ON PATIENTS, FAMILIES AND THE HEALTHCARE SYSTEM METRO HEALTH SEEKS TO INFORM PATIENTS OF THEIR ELIGIBILITY FOR CHARITY CARE AS SOON AS POSSIBLE IN THE HEALTHCARE PROCESS SO THAT PATIENTS KNOW THERE IS HELP FOR THEM AND SO THAT THE ORGANIZATION AVOID COSTLY COLLECTIONS PROCESSES METRO HEALTH POSTS INFORMATION ON FINANCIAL ASSISTANCE ON THE ORGANIZATION WEB SITE PATIENTS WHO REPORT HAVING NO INSURANCE OR HIGH DEDUCTIBLE INSURANCE AT REGISTRATION ARE PROVIDED INFORMATION ABOUT OUR METROCARE PROGRAM THIS PROGRAM PROVIDES A 40% DISCOUNT TO ALL PATIENTS WITHOUT INSURANCE AND A TWO - YEAR, NO-INTEREST PAYMENT PLAN FOR THOSE PATIENTS WITH A BALANCE OF MORE THAN \$25 00 IN ADDITION, EVERY PATIENT BILL INCLUDES THE FEDERAL POVERTY GUIDELINES ON THE BACK AND EXPLAINS THE PROCEDURES AND LIMITS FOR CHARITY CARE AND DISCOUNTING PROGRAMS PATIENT FINANCIAL REPRESENTATIVES ARE AVAILABLE TO DISCUSS FILLING OUT PAPERWORK FOR GOVERNMENT MEDICAL ASSISTANCE PROGRAMS</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 METRO HEALTH'S PRIMARY SERVICES AREA INCLUDES KENT, ALLEGAN AND OTTAWA COUNTIES WITH THE 2007 HOSPITAL RELOCATION TO WYOMING, THE HOSPITAL BEGAN TO SEE PATIENTS FROM AREAS FARTHER SOUTH AND WEST THAN BEFORE, AND THIS TREND HAS CONTINUED THE ORGANIZATION'S REACH INTO THE COMMUNITY IS ENHANCED BY POSITIONING HEALTHCARE SERVICES THROUGHOUT THE COMMUNITY, INCLUDING 11 NEIGHBORHOOD OUTPATIENT CENTERS RINGING THE GREATER GRAND RAPIDS AREA, SATELLITE RADIOLOGY OFFICES IN GREENVILLE, SHERIDAN AND IN DOWNTOWN GRAND RAPIDS, MICHIGAN, AN AMBULATORY SURGERY CENTER IN DOWNTOWN GRAND RAPIDS, MICHIGAN, A COMMUNITY CLINIC FOR THE UNDERSERVED AND THE METRO HEALTH CANCER CENTER LOCATED NEAR THE HOSPITAL OFFERING MEDICAL ONCOLOGY THROUGH METRO HEALTH PHYSICIANS AND RADIATION ONCOLOGY THROUGH A PARTNERSHIP WITH UNIVERSITY OF MICHIGAN DEPARTMENT OF RADIATION ONCOLOGY KENT COUNTY, WHERE THE MAJORITY OF METRO HEALTH PATIENTS RESIDE, IS THE FOURTH LARGEST COUNTY IN MICHIGAN THERE IS A DIVERSE MIX OF DEMOGRAPHICS ACCORDING TO THE UNITED STATES CENSUS BUREAU WEB SITE (2010 CENSUS), 76 PERCENT OF THE POPULATION IS WHITE (NOT HISPANIC) THE HISPANIC POPULATION IS 9.7 PERCENT OF RESIDENTS, THE AFRICAN AMERICAN POPULATION IS 9.7 PERCENT OF THE COMMUNITY, AND ASIAN AMERICANS COMPRISE 2.3 PERCENT OF THE POPULATION PER THE CENSUS BUREAU, MEDIAN HOUSEHOLD INCOME IN KENT COUNTY (FOR 2006-2010) IS \$29,532, AND 14.3 PERCENT OF THE POPULATION IS CONSIDERED BELOW THE POVERTY LEVEL</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 METRO HEALTH'S LIVE HEALTHY COMMUNITY OUTREACH PROGRAM PROVIDES FREE AND LOW-COST HEALTH EDUCATION PROMOTION EVENTS, CLASSES AND MORE TO OUR COMMUNITY. THE MAJORITY OF THESE PROGRAMS ARE DESIGNED TO ADDRESS RECOGNIZED HEALTH NEEDS IN THE COMMUNITY. THESE CLASSES AND EVENTS GROW IN POPULARITY EVERY YEAR AND INCLUDE TOPICS SUCH AS LIVING WITH DIABETES, CPR CLASSES AND ASK THE SPECIALIST ABOUT HEART DISEASE, STROKE, CHEST PAIN AND MORE. LOW-COST EXERCISE CLASSES OFFER ACTIVITY TO BEGINNERS, AS WELL AS TO VERY FIT PARTICIPANTS. OTHER FREE OFFERINGS ARE TOBACCO CESSATION, NUTRITION, JOINT PAIN, INJURY AND FALL PREVENTION, CHILD SAFETY SEAT, HEALTHY COOKING CLASSES AND MORE. WHILE ALL OF THE LIVE HEALTHY CLASSES ARE FREE OR LOW COST, IF COST IS A DETERRENT FOR PEOPLE BEING ABLE TO ATTEND, THE COMMUNITY OUTREACH DEPARTMENT WAIVES THE FEE. FREE HEALTH SCREENS ARE ALSO AN IMPORTANT COMPONENT OF THE LIVE HEALTHY PROGRAM. AS EXAMPLES, FREE BLOOD PRESSURE SCREENS ARE HELD MONTHLY IN THE HOSPITAL AND METRO OFFERS TWO FREE SCREENING OPPORTUNITIES FOR PERIPHERAL ARTERY DISEASE (PAD) EACH YEAR. AVERAGE ATTENDANCE AT THE HOSPITAL-BASED BLOOD PRESSURE SCREENS IS 38, AND THEY GROWN IN POPULARITY ENOUGH THAT METRO EXPANDED THE PROGRAM TO OTHER LOCATIONS IN THE LAST YEAR. DIAGNOSING PAD BEFORE IT CAUSES MAJOR COMPLICATIONS SAVES PATIENTS AND THE COMMUNITY MONEY BY AVOIDING MORE SEVERE TREATMENTS, SUCH AS AMPUTATION, AND HELPS PATIENTS CARE FOR THEMSELVES BY STAYING MOBILE. AT JUST ONE OF METRO'S TWO PAD SCREENS LAST YEAR, 153 COMMUNITY MEMBERS WERE SCREENED. OF THESE, 13 COMMUNITY MEMBERS WERE FOUND TO HAVE INDICATORS FOR PAD AND WERE PROVIDED CONSULTATION AND FOLLOW UP TO PREVENT FURTHER DISEASE PROGRESS. THE HOSPITAL ALSO HOSTS A NUMBER OF FREE SUPPORT GROUPS AND MEETINGS FOR COMMUNITY ORGANIZATIONS. SOME SUPPORT GROUPS ARE RUN BY METRO HEALTH PROFESSIONALS AND OTHERS ARE COMMUNITY-BASED GROUPS TO WHOM METRO OFFERS FREE CONFERENCE ROOM SPACE. SOME OF THE SUPPORT GROUPS MEETING AT METRO INCLUDE THOSE FOR ALZHEIMER'S, CONGESTIVE HEART FAILURE, AND ANGER MANAGEMENT. AS A TEACHING HOSPITAL, METRO ALSO OFFERS EDUCATIONAL OPPORTUNITIES TO MEDICAL RESIDENTS, NURSES, RADIOLOGY TECHS, PHLEBOTOMISTS AND EVEN HIGH SCHOOL STUDENTS WHO ARE INTERESTED IN MEDICAL PROFESSIONS. IN 2011, METRO OFFERED ITS SECOND HEART AND VASCULAR WINTER UPDATE CONFERENCE TO PRIMARY CARE AND CARDIOLOGY PHYSICIANS. THE CONFERENCE FEATURED LOCAL AND NATIONAL SPEAKERS ON TOPICS FROM HOW TO HELP PATIENTS LOSE WEIGHT TO INNOVATIONS IN TREATING CHOLESTEROL PROBLEMS, PERIPHERAL VASCULAR DISEASE AND MORE. THE CONFERENCE OFFERED CME CREDITS AND WAS ATTENDED BY MORE THAN 50 PHYSICIANS. THE METRO HEALTH FARM MARKET IS ANOTHER WAY METRO SEEKS TO IMPROVE THE HEALTH OF OUR COMMUNITY. OUR MARKET HAS GROWN IN POPULARITY AMONG COMMUNITY MEMBERS, PATIENTS AND EMPLOYEES. ON FARM MARKET DAYS, IT IS COMMON TO SEE OUTPATIENTS AND VISITORS MINGLE WITH COMMUNITY MEMBERS AS THEY SHOP FOR FRESH, LOCALLY GROWN AND PRODUCED FOODS. MORE THAN 10,000 STAFF MEMBERS AND COMMUNITY RESIDENTS VISITED THE FARM MARKET IN 2011. DURING THE LAST PROGRAM YEAR, METRO MADE MAJOR STRIDES IN IMPROVING ACCESS TO THE FARM MARKET. RECOGNIZING THAT MANY COMMUNITY RESIDENTS RECEIVE FOOD ASSISTANCE, METRO WORKED OUT DETAILS TO ACCEPT PROJECT FRESH COUPONS AND SNAP BENEFITS. WE ALSO ADDED EBT MACHINES TO INCREASE HEALTHY OPTIONS FOR INDIVIDUALS AND FAMILIES RECEIVING GOVERNMENT FOOD ASSISTANCE. METRO ALSO OFFERED FREE HEALTH SCREENS AND COOKING CLASSES AT THE MARKET SO THAT AREA RESIDENTS COULD LEARN ABOUT THEIR HEALTH AND LEARN WAYS TO COOK THE DELICIOUS, HEALTHY FOODS AVAILABLE AT THE MARKET. - REGARDLESS OF THEIR INCOME LEVEL. OUR SPORTS MEDICINE DEPARTMENT ALSO PLAYS AN ACTIVE ROLE IN THE COMMUNITY, PROVIDING FIRST AIDE AT RACES AND COMMUNITY EVENTS YEAR ROUND. IN 2011, THE GROUP WAS AVAILABLE TO MORE THAN 70,000 EVENT PARTICIPANTS AND SPECTATORS THROUGHOUT THE COMMUNITY. METRO HEALTH IS ALSO COMMITTED TO PROTECTING THE ENVIRONMENT THROUGH A NUMBER OF GREEN INITIATIVES. OUR HOSPITAL BUILDING IS ONE OF THE FIRST HOSPITALS IN THE NATION DESIGNED AND BUILT TO BE LEED-CERTIFIED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN), AND IT IS LOCATED IN THE METRO HEALTH VILLAGE WHICH REQUIRES ALL BUILDINGS ON THE PROPERTY TO BE DESIGNED AND BUILT FOR LEED CERTIFICATION. ALREADY CONSCIOUS OF RECYCLING AND COMPOSTING, METRO HEALTH INCREASED EFFORTS IN THESE AREAS THROUGHOUT THE YEAR. THE HOSPITAL KITCHEN PARTICIPATES IN A ROBUST COMPOSTING PROGRAM, AND THE ORGANIZATION SET GOALS TO FOCUS EVERY STAFF MEMBER ON INCREASING THE OVERALL RECYCLE RATE AT THE HOSPITAL. PLANNING WAS INITIATED IN 2010 TO SIGNIFICANTLY INCREASE THE AMOUNT OF COMPOSTING DONE BY CAFETERIA CUSTOMERS. THE HOSPITAL CONTINUED ITS MAY TO OCTOBER FARM MARKET AS A MEANS TO ENCOURAGE HEALTHY LIFESTYLES AND THE CONNECTION BETWEEN HEALTH AND OUR EARTH.</p>

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	MI

Additional Data

Software ID:

Software Version:

EIN: 38-0593405

Name: METROPOLITAN HOSPITAL

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>18</u>	
Name and address	Type of Facility (Describe)
CANCER SERVICES 5950 METRO WAY WYOMING, MI 49519	CANCER CENTER
METRO HEALTH COMSTOCK PARK 4500 N DIVISION COMSTOCK PARK, MI 49321	RADIOLOGY AND MAMMOGRAPHY
METRO-HEALTH CALEDONIA PLAZA 8941 NORTH RODGERS COURT CALEDONIA, MI 49316	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH JENISON 7686 GEORGETOWN CENTER DR JENISON, MI 49428	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH CEDAR SPRINGS 14211 WHITE CREEK CEDAR SPRING, MI 49319	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH CASCADE 4300 CASCADE GRAND RAPIDS, MI 49546	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH ROCKFORD 4865 BELDING ROAD ROCKFORD, MI 49341	RADIOLOGY AND MAMMOGRAPHY
METRO-HEALTH SOUTHWEST PLAZA 2215 44TH STREET SW WYOMING, MI 49509	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH WAYLAND 893 E SUPERIOR WAYLAND, MI 49348	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH LOWELL 2550 WEST MAIN LOWELL, MI 49331	RADIOLOGY AND MAMMOGRAPHY
METRO HEALTH BRETON 1925 BRETON SE GRAND RAPIDS, MI 49506	CLINIC FOR LOW INCOME AND OFFICES
METRO HEALTH GREENVILLE HEART AND VASCUL 1915 WEST WASHINGTON GREENVILLE, MI 48838	HEART AND VASCULAR
METRO HEALTH HUDSONVILLE 3912 32ND AVE HUDSONVILLE, MI 49426	RADIOLOGY AND MAMMOGRAPHY
HEALTHPARK 2093 HEALTH DRIVE WYOMING, MI 49519	SLEEP LAB AND ENDOSCOPY
METRO HEALTH ALLENDALE 11160 WJ PRESLEY PARKWAY ALLENDALE, MI 49401	RADIOLOGY AND MAMMOGRAPHY
MIDTOWNE 555 MIDTOWN SUITE 105 GRAND RAPIDS, MI 49503	HEART AND VASCULAR
GR HOME FOR VETS 3000 MONROE NW GRAND RAPIDS, MI 49505	HEART AND VASCULAR AND SPEECH
METRO HEALTH OPHTHALMOLOGY 2221 HEALTH DRIVE SW WYOMING, MI 49519	OPHTHALMOLOGY

**Schedule I
(Form 990)**

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -
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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.

Department of the Treasury

Internal Revenue Service

Name of the organization

METROPOLITAN HOSPITAL

Employer identification number

38-0593405

2010

Open to Public Inspection

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?

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

Part II

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

[illegible]

2 Enter total number of section 501(c)(3) and government organizations.

3 Enter total number of other organizations.

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

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

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

Identifier	Return Reference	Explanation
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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, question 23.**

▶ **Attach to Form 990. ▶ See separate instructions.**

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Name of the organization
METROPOLITAN HOSPITAL

Employer identification number

38-0593405

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input checked="" type="checkbox"/> Discretionary spending account </div> <div style="width: 48%;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </div> </div>		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.	1b Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </div> <div style="width: 48%;"> <input checked="" type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </div> </div>		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c	No
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b	No
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	No
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b	No
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	MIKE FAAS RECEIVED TAX INDEMNIFICATION AND GROSS-UP PAYMENTS AND COUNTRY CLUB DUES. ALL EXECUTIVE VICE PRESIDENTS RECEIVE A DISCRETIONARY SPENDING AMOUNT. THESE PAYMENTS ARE TREATED AS TAXABLE COMPENSATION.
	PART I, LINE 4B	MICHAEL FAAS, \$264,000 CINDY ALLEN FEDOR, \$6,302 INGRID CHESLEK, \$656 WILLIAM CUNNINGHAM, \$34,769 BRIAN JEPSON, \$20,000 CARRIE KNOBLOCH, \$6,640 CHRISTINE LAWRENCE, \$4,903 BILL LEWKOWSKI, \$7,245 KEN NYSSON, \$6,200 LAURA STASKIEWICZ, \$6,776 TIM SUSTERICH, \$24,810 FLOYD WILSON, JR., \$20,000

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

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

Department of the Treasury
Internal Revenue Service

Name of the organization
METROPOLITAN HOSPITAL

OMB No 1545-0047

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Open to Public
Inspection

Employer identification number

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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 KENT HOSPITAL FINANCE AUTHORITY	38-2350002	490580CC9	04-20-2005	30,000,000	BUILD METRO HOSPITAL		X		X		X
B KENT HOSPITAL FINANCE AUTHORITY	38-2350002	490580CC9	04-20-2005	139,985,272	BUILD METRO HOSPITAL		X		X		X

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		30,720,381		145,467,326				
4 Gross proceeds in reserve funds		10,632,251		10,632,251				
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrow								
7 Issuance costs from proceeds		604,379		2,638,197				
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds		3,794,261		3,579,804				
10 Capital expenditures from proceeds		26,321,741		128,617,074				
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2007		2007					

14 Were the bonds issued as part of a current refunding issue?	X			X				
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X				
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		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		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		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		0 %		0 %				
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		0 %		0 %				
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		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		X				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		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		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			X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization METROPOLITAN HOSPITAL		Employer identification number 38-0593405
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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	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) LOWELL REAL ESTATE GROUP	DR GAUTHIER, PARTNER IN LOWELL REAL ESTATE GROUP AND BOARD MEMBER	178,269	REAL ESTATE RENTAL		No
(2) 5950 METRO WAY LLC	DR ZAKEM, PARTNER IN 5950 METRO WAY, LLC AND BOARD MEMBER	626,301	LEASE OF BUILDING		No
(3) THE CANCER AND HEMATOLOGY CENTER	DR ZAKEM, PARTNER IN THE CANCER AND HEMATOLOGY CENTER AND BOARD MEMBER	1,287,999	LEASE OF EMPLOYEES		No
(4) HEALTH PARK MEDICAL BUILDING	DR FURLONG, PARTNER IN HEALTH PARK MEDICAL BUILDING AND BOARD MEMBER	650,786	LEASE OF BUILDING		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

2010

**Open to Public
Inspection**

Name of the organization
METROPOLITAN HOSPITAL

Employer identification number

38-0593405

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE 990 IS PROVIDED AT A BOARD MEETING FOR REVIEW PRIOR TO FILING
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEMBER IS REQUIRED ANNUALLY TO COMPLETE A CONFLICT OF INTEREST STATEMENT THE STATEMENTS ARE COMPILED AND THE HOSPITALS COMPLIANCE DEPARTMENT REVIEWS THEM FOR ANY POTENTIAL CONFLICTS ANY CONFLICTS ARE NOTED AND APPROPRIATE ACTION IS TAKEN AS REQUIRED
	FORM 990, PART VI, SECTION B, LINE 15A	THE CEO'S COMPENSATION IS DETERMINED BY USE OF CONSULTANTS AND COMPARABILITY DATA FROM OTHER HOSPITALS OF SIMILAR SIZE HE IS THE ONLY EMPLOYEE UNDER CONTRACT THE EXECUTIVE COMMITTEE REVIEWS AND APPROVES THE CEO COMPENSATION THEIR DISCUSSION IS DOCUMENTED IN THE MINUTES OF THE MEETING THE MOST RECENT YEAR THIS PROCESS WAS UNDERTAKEN WAS FISCAL YEAR 2011
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 929,414 PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 5,374,466 UNREALIZED GAIN ON EQUITY INVESTMENT 137,236 TOTAL TO FORM 990, PART XI, LINE 5 6,441,116
	FORM 990, PART IV, LINE 12 AND PART XI, LINE 2B	METROPOLITAN HOSPITAL WAS AUDITED AND IT'S ACTIVITIES WERE REPORTED AS PART OF A CONSOLIDATED FINANCIAL STATEMENT
	FORM 990, PART XI, LINE 2C	THE ORGANIZATION HAS AN AUDIT COMMITTEE THAT IS RESPONSIBLE FOR THE OVERSIGHT OF THE AUDIT AND THE SELECTION OF THE INDEPENDENT AUDITORS THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR
	FORM 990, PART I, LINE 1	METRO HEALTH'S MISSION IS TO IMPROVE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE IN FISCAL YEAR 2011, METRO MADE STRIDES IN INCREASING ACCESS TO MAMMOGRAPHY SERVICES FOR OUR COMMUNITY, PROVIDING HEALTH EDUCATION TO THE PUBLIC AND ADOPTING CUTTING-EDGE DEVICES TO BETTER SERVE OUR PATIENTS AND COMMUNITY TO INCREASE ACCESS TO MAMMOGRAPHY SERVICES, METRO LAUNCHED A MOBILE, DIGITAL SCREENING MAMMOGRAPHY SERVICE THE MOBILE TRUCK SERVES FIVE METRO HEALTH LOCATIONS THAT ARE LOCATED IN THE COMMUNITY AND NEAR PATIENT HOMES TO EDUCATE THE PUBLIC, METRO LAUNCHED A CHILD CAR SEAT SAFETY CHECK EDUCATION PROGRAM IN KENT COUNTY, MICHIGAN, A REPORTED 96 PERCENT OF CHILD SAFETY SEATS THAT ARE INSPECTED ARE USED INCORRECTLY TO HELP REMEDY THIS SITUATION, METRO HEALTH TEAM MEMBERS WERE EDUCATED ON PROPER CAR SEAT USE AND NOW INCORPORATE THE TRAINING IN EXPECTANT AND NEW PARENT CLASSES AND SCREENING EVENTS AS EARLY ADOPTERS OF NEW TECHNOLOGY, METRO HEALTH PHYSICIANS WERE THE FIRST IN THE COUNTRY TO USE THE NEW STEALTH 360 ORBITAL PAD SYSTEM PHYSICIANS USE THE MINIMALLY INVASIVE CATHETER DEVICE IN PERIPHERAL ARTERIES TO REMOVE PLAQUE AND RESTORE BLOOD FLOW TO UNHEALTHY AND AT-RISK TISSUE METRO HEALTH WAS THE FIRST HOSPITAL IN MICHIGAN TO UTILIZE ADVANCED TECHNOLOGY RENAISSANCE FOR COMPUTER-GUIDED COMPLEX SPINE SURGERIES RENAISSANCE CAN BE USED FOR TRADITIONAL OPEN/INVASIVE OR MINIMALLY INVASIVE SURGERY THIS DEVICE ALLOWS SURGEONS MORE PRECISE INITIAL IMPLANT PLACEMENT, REDUCING THE NEED FOR FUTURE SURGERIES TO MAKE ADJUSTMENTS AND IMPROVING THE RECOVERY TIME FOR PATIENTS IT ALSO REDUCES X-RAY EXPOSURE FOR PATIENTS AND THE OPERATING ROOM TEAM AND CAN REDUCE BLOOD LOSS
	CHANGES ON AMENDED FORM 990	CORRECT FINANCIAL STATEMENTS HAVE BEEN ATTACHED TO THE AMENDED FORM 990 THERE ARE NO OTHER CHANGES TO THE RETURN

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

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

Department of the Treasury
Internal Revenue Service

Name of the organization
METROPOLITAN HOSPITAL

Employer identification number

38-0593405

OMB No. 1545-0047

2010

Open to Public
Inspection

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
(1) LAND METRO LLC 1925 BRETON SE GRAND RAPIDS, MI 49506 20-2863709	REAL ESTATE HOLDING	MI	0	0	METROPOLITAN HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) METROPOLITAN FOUNDATION 1925 BRETON SE GRAND RAPIDS, MI 49506 38-3033329	TO SUPPORT THE HOSPITAL	MI	501(C)(3)	LINE 7	METROPOLITAN HEALTH CORPORATION	Yes	
(2) METROPOLITAN HEALTH CORPORATION 5900 BYRON CENTER SW WYOMING, MI 49519 38-2745509	PARENT CORPORATION	MI	501(C)(3)	LINE 11B, II N/A		Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) METRO HEALTH ASC LLC 5900 BYRON CENTER AVE SW WYOMING, MI49519 26-1805066	AMBULATORY SURGERY	MI	METROPOLITAN HOSPITAL	RELATED	259,398	1,352,678		No			No	51 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) METROPOLITAN ENTERPRISES INC 1925 BRETON SE GRAND RAPIDS, MI49506 38-3062222	PHYSICIAN SERVICES	MI	N/A	C			

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes	No
1a	No
1b	Yes
1c	Yes
1d	No
1e	No
1f	No
1g	No
1h	No
1i	Yes
1j	No
1k	No
1l	No
1m	No
1n	Yes
1o	Yes
1p	Yes
1q	No
1r	No

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) METROPOLITAN FOUNDATION	C	1,464,423	CASH
(2) METROPOLITAN ENTERPRISES	I	1,927,932	FMV
(3) METRO HEALTH ASC LLC	N	245,071	ALLOCATION OF COST
(4) METROPOLITAN ENTERPRISES	B	2,486,079	CASH
(5)			
(6)			

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 38-0593405
Name: METROPOLITAN HOSPITAL

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL FAAS PRESIDENT & CEO	55 00	X		X				1,119,632	0	287,812
DAVID A RODRIGUEZ BOARD MEMBER, SECRETARY	4 00	X		X				0	0	0
JANE M ROSS BOARD MEMBER, VICE CHAIR	4 00	X		X				0	0	0
THERESE ROUSE DO BOARD MEMBER	4 00	X						0	0	0
JACQUELINE D SCOTT CHAIRPERSON	4 00	X		X				0	0	0
WILLIAM J BARKELEY BOARD MEMBER	4 00	X						0	0	0
MICHELE T BROWN BOARD MEMBER	4 00	X						0	0	0
PAUL R GAUTHIER DO BOARD MEMBER	4 00	X						0	0	0
BARBARA A MIERAS BOARD MEMBER	4 00	X						0	0	0
MICHAEL A PRICE TREASURER	4 00	X		X				0	0	0
VICTOR VASQUEZ JR BOARD MEMBER	4 00	X						0	0	0
MICHAEL H ZAKEM DO BOARD MEMBER	4 00	X						0	0	0
PAUL KOVACK CARDIOLOGIST	55 00	X						836,830	0	25,770
KEVIN FURLONG DO BOARD MEMBER	4 00	X						0	0	0
DOYLE HAYES CHAIRPERSON - PART YEAR	4 00	X		X				0	0	0
MATTHEW BISSEL BOARD MEMBER - PART YEAR	4 00	X						0	0	0
RICHARD POSTHUMUS BOARD MEMBER - PART YEAR	4 00	X						0	0	0
ERYN QUINN BOARD MEMBER - PART YEAR	4 00	X						0	0	0
DAVID ONDERSMA TREASURER - PART YEAR	4 00	X						0	0	0
CAROL SHEETS BOARD MEMBER - PART YEAR	4 00	X						0	0	0
CINDY ALLEN-FEDOR VP OF QUALITY & CASE MANAG	55 00			X				165,665	0	24,941
FRANK BELSITO CHIEF MEDICAL	55 00			X				398,270	0	23,374
INGRID CHESLEK VP PATIENT CARE SERVICES	55 00			X				318,277	0	22,593
BRADLEY CLEGG VP OF ELECTRONIC RECORDS	55 00			X				253,534	0	24,977
WILLIAM CUNNINGHAM CHIEF MEDICAL OFFICER	55 00			X				579,204	0	46,106

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			
CARRIE KNOBLOCH REAL ESTATE AND OPERATI	55 00			X				230,152	0	30,630
CHRISTINE LAWRENCE VP OF RISK AND COMPLIANCE	55 00			X				153,566	0	14,890
WILLIAM LEWKOWSKI VP OF IT	55 00			X				282,445	0	31,300
VERONICA MARSICH VP OF GENERAL COUNSEL	55 00			X				218,297	0	12,550
LAURA STASKIEWICZ VP OF FUND DEVELOPMENT	55 00			X				259,760	0	32,012
TIM SUSTERICH VP OF FINANCE	55 00			X				466,612	0	37,499
FLOYD WILSON JR VP OF HUMAN RESOURCES	55 00			X				415,723	0	45,770
JIHAD MUSTAPHA CARDIOLOGIST	55 00					X		923,494	0	25,770
MATTHEW SEVENSMA CARDIOLOGIST	55 00					X		855,551	0	19,563
ERIC WALCHAK CARDIOLOGIST	55 00					X		836,820	0	25,477
JOHN KEY CARDIOLOGIST	55 00					X		787,505	0	19,412
VLADIMIR FERRER GASTROENTEROLOGIST	55 00					X		636,356	0	10,650
BRIAN JEPSON COO	55 00						X	322,829	0	43,776

Software ID:
Software Version:
EIN: 38-0593405
Name: METROPOLITAN HOSPITAL

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MICHAEL FAAS	(i) (ii)564,110 0	248,620 0	306,902 0	275,750 0	12,062 0	1,407,444 0	247,255 0
PAUL KOVACK	(i) (ii)753,446 0	82,394 0	990 0	10,650 0	15,120 0	862,600 0	0 0
CINDY ALLEN-FEDOR	(i) (ii)110,150 0	21,712 0	33,803 0	12,622 0	12,319 0	190,606 0	0 0
FRANK BELSITO	(i) (ii)257,500 0	138,671 0	2,099 0	11,312 0	12,062 0	421,644 0	0 0
INGRID CHESLEK	(i) (ii)212,145 0	51,993 0	54,139 0	10,794 0	11,799 0	340,870 0	0 0
BRADLEY CLEGG	(i) (ii)216,831 0	33,865 0	2,838 0	9,857 0	15,120 0	278,511 0	0 0
WILLIAM CUNNINGHAM	(i) (ii)304,324 0	81,643 0	193,237 0	46,106 0	0 0	625,310 0	0 0
CARRIE KNOBLOCH	(i) (ii)170,086 0	33,864 0	26,202 0	15,760 0	14,870 0	260,782 0	24,050 0
CHRISTINE LAWRENCE	(i) (ii)125,937 0	25,006 0	2,623 0	10,182 0	4,708 0	168,456 0	0 0
WILLIAM LEWKOWSKI	(i) (ii)191,129 0	50,093 0	41,223 0	16,140 0	15,160 0	313,745 0	27,129 0
VERONICA MARSICH	(i) (ii)217,212 0	450 0	635 0	6,530 0	6,020 0	230,847 0	0 0
LAURA STASKIEWICZ	(i) (ii)175,655 0	43,621 0	40,484 0	16,699 0	15,313 0	291,772 0	29,065 0
TIM SUSTERICH	(i) (ii)262,308 0	70,000 0	134,304 0	35,460 0	2,039 0	504,111 0	98,613 0
FLOYD WILSON JR	(i) (ii)306,304 0	69,375 0	40,044 0	30,650 0	15,120 0	461,493 0	0 0
JIHAD MUSTAPHA	(i) (ii)617,727 0	305,132 0	635 0	10,650 0	15,120 0	949,264 0	0 0
MATTHEW SEVENSMA	(i) (ii)615,227 0	239,730 0	594 0	7,281 0	12,282 0	875,114 0	0 0
ERIC WALCHAK	(i) (ii)607,727 0	228,433 0	660 0	10,650 0	14,827 0	862,297 0	0 0
JOHN KEY	(i) (ii)607,727 0	178,788 0	990 0	7,350 0	12,062 0	806,917 0	0 0
VLADIMIR FERRER	(i) (ii)410,769 0	224,993 0	594 0	10,650 0	0 0	647,006 0	0 0
BRIAN JEPSON	(i) (ii)171,239 0	51,500 0	100,090 0	29,516 0	14,260 0	366,605 0	67,109 0

Metro Health Corporation and Affiliates

**Consolidated Financial Report
with Additional Information
June 30, 2011**

Metro Health Corporation and Affiliates

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Independent Auditor's Report

To the Board of Directors
Metro Health Corporation and Affiliates

We have audited the accompanying consolidated balance sheet of Metro Health Corporation and Affiliates (the "Corporation") as of June 30, 2011 and 2010 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Metro Health Corporation and Affiliates at June 30, 2011 and 2010 and the consolidated results of their operations, changes in net assets, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

September 16, 2011



Metro Health Corporation and Affiliates

Consolidated Balance Sheet

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 32,724,504	\$ 15,920,657
Accounts receivable - Net (Note 2)	30,338,096	28,641,091
Cost report settlements receivable (Note 3)	15,005,539	18,298,316
Other current assets	8,194,220	7,287,056
Total current assets	86,262,359	70,147,120
Property and Equipment - Net (Note 5)	196,189,429	202,495,167
Other Assets (Note 6)	57,403,026	55,102,563
Total assets	<u>\$ 339,854,814</u>	<u>\$ 327,744,850</u>
Liabilities and Net Assets		
Current Liabilities		
Bank line of credit (Note 8)	\$ 3,300,000	\$ 2,500,000
Current portion of long-term debt (Note 9)	2,682,917	2,562,728
Accounts payable	16,985,515	16,400,938
Cost report settlements payable (Note 3)	4,706,378	-
Deferred revenue	1,069,354	1,157,853
Accrued liabilities and other (Note 10)	12,291,700	12,545,582
Total current liabilities	41,035,864	35,167,101
Long-term Debt - Net of current portion (Note 9)	177,004,818	179,679,455
Other Liabilities (Note 11)	19,067,813	27,395,950
Total liabilities	237,108,495	242,242,506
Net Assets		
Unrestricted	98,251,373	79,714,502
Temporarily restricted	4,494,946	5,787,842
Total net assets	102,746,319	85,502,344
Total liabilities and net assets	<u>\$ 339,854,814</u>	<u>\$ 327,744,850</u>

Metro Health Corporation and Affiliates

Consolidated Statement of Operations and Changes in Net Assets

	Year Ended	
	June 30, 2011	June 30, 2010
Unrestricted Revenue, Gains, and Other Support		
Net patient service revenue	\$ 287,526,181	\$ 268,988,083
Capitation revenue	4,062,866	3,806,279
Other	9,165,792	9,171,477
Total unrestricted revenue, gains, and other support	300,754,839	281,965,839
Expenses		
Salaries	96,216,649	88,495,828
Fringe benefits	24,638,025	22,603,397
Supplies	49,946,102	46,386,649
Professional liability and legal costs	729,347	1,479,603
Purchased services	46,176,334	46,402,108
Other	32,222,697	28,288,227
Depreciation and amortization	16,784,433	16,243,651
Provision for bad debts	15,757,115	15,032,204
Interest expense	9,764,210	9,734,998
Total expenses (Note 16)	292,234,912	274,666,665
Operating Income Before Sale of Property and Equipment	8,519,927	7,299,174
Gain (Loss) on Sale of Property and Equipment (Note 5)	14,195	(934,439)
Operating Income	8,534,122	6,364,735
Other Income (Loss)		
Investment income (Note 6)	2,326,536	920,548
Contributions	26,764	91,783
Change in unrealized investment income (Note 6)	1,438,747	1,396,494
Other	(1,091,939)	(1,148,980)
Total other income	2,700,108	1,259,845
Excess of Revenue Over Expenses	\$ 11,234,230	\$ 7,624,580

Metro Health Corporation and Affiliates

Consolidated Statement of Operations and Changes in Net Assets (Continued)

	Year Ended June 30	
	2011	2010
Unrestricted Net Assets		
Excess of revenue over expenses	\$ 11,234,230	\$ 7,624,580
Other change in net assets	(81,669)	-
Capital contribution from affiliate	-	1,300,000
Pension-related changes other than net periodic benefit cost	5,374,466	(7,851,633)
Net assets released from restriction	2,009,844	840,000
Increase in unrestricted net assets	18,536,871	1,912,947
Temporarily Restricted Net Assets		
Restricted contributions net of provision for bad debts on pledges receivable	716,948	937,217
Net assets released from restriction	(2,009,844)	(840,000)
(Decrease) increase in temporarily restricted net assets	(1,292,896)	97,217
Increase in Net Assets	17,243,975	2,010,164
Net Assets - Beginning of year	85,502,344	83,492,180
Net Assets - End of year	\$ 102,746,319	\$ 85,502,344

Metro Health Corporation and Affiliates

Consolidated Statement of Cash Flows

	Year Ended	
	June 30, 2011	June 30, 2010
Cash Flows from Operating Activities		
Increase in net assets	\$ 17,243,975	\$ 2,010,164
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	16,784,433	16,243,651
Net change in unrealized net gains and losses on investments	(1,438,747)	(1,396,494)
Net realized gains on investments	(1,240,049)	(45,852)
Pension-related changes other than net periodic benefit cost	(5,374,466)	7,851,633
(Gain) loss on disposal of equipment	(14,195)	934,439
Temporarily restricted donations	(1,574,061)	(937,217)
Provision for bad debts	15,757,115	15,032,204
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(17,454,120)	(19,021,574)
Other current assets	(907,164)	885,650
Cost report settlements receivable	7,999,155	(1,486,318)
Other assets	(748,464)	(3,671,844)
Accounts payable	584,577	(1,580,945)
Accrued liabilities	(253,882)	398,184
Other liabilities	(3,042,170)	(818,604)
Net cash provided by operating activities	26,321,937	14,397,077
Cash Flows from Investing Activities		
Purchase of property and equipment	(10,478,695)	(9,536,292)
Proceeds from sale of property and equipment	14,195	1,537,394
Purchase of investments	(10,573,260)	(18,403,227)
Proceeds from sale and maturities of investments	11,682,542	19,329,175
Net cash used in investing activities	(9,355,218)	(7,072,950)
Cash Flows from Financing Activities		
Net change in funds held by trustee under bond indenture	17,515	(241,255)
Net change in line of credit	800,000	(2,984,099)
Principal payment on long-term debt	(2,554,448)	(2,519,224)
Proceeds from restricted contributions	1,574,061	937,217
Net cash used in financing activities	(162,872)	(4,807,361)
Net Increase in Cash and Cash Equivalents	16,803,847	2,516,766
Cash and Cash Equivalents - Beginning of year	15,920,657	13,403,891
Cash and Cash Equivalents - End of year	<u>\$ 32,724,504</u>	<u>\$ 15,920,657</u>
Supplemental Cash Flow Information - Cash paid for interest	<u>\$ 9,809,573</u>	<u>\$ 9,923,564</u>

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Structure - Metro Health Corporation (MHC or the "Corporation"), a not-for-profit corporation, is a major provider of healthcare services to residents of Grand Rapids, Michigan and surrounding communities.

The consolidated financial statements include MHC and the corporations (and their subsidiaries) listed below, of which MHC is the sole member:

- Metro Health Hospital (the "Hospital")
- Metro Health Hospital Foundation (the "Foundation")
- Metropolitan Enterprises (ME)

The Corporation owns 51 percent of Metro Health ASC, LLC (ASC), which owns and operates an ambulatory surgery center; operations and balances are included in the consolidated financial statements. During 2010, the minority owner, an unrelated organization of the ASC, contributed \$1.3 million of capital to the ASC as their initial investment.

A significant portion of the Corporation's net patient service revenue is received under contractual arrangements with Medicare, Medicaid, Blue Cross/Blue Shield of Michigan, and various health maintenance organization programs. Most health services are rendered to citizens of Kent and Ottawa Counties of Michigan.

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of Metro Health Corporation and its subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. The noncontrolling interest in majority-owned entities on the June 30, 2011 consolidated balance sheet represents a 49 percent outside membership interest in ASC. The noncontrolling interest of net assets as of June 30, 2011 is \$209,627 and the noncontrolling interest share of excess of revenue over expenses for the year ended June 30, 2011 is \$249,226.

Temporarily Restricted Net Assets - Temporarily restricted net assets reflect assets contributed or pledged to the Hospital and its subsidiaries, the use of which is restricted by the donor. Temporarily restricted net assets are restricted for medical education, indigent care, and property and equipment purchases.

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 assets limited as to use by board designation or other arrangements under trust agreements (see Note 6).

Cash balances held in the bank exceeded the federal depository insurance limit. The Corporation's cash is only insured up to the federal depository insurance limit. Management believes that any credit risk related to these cash balances is minimal.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Accounts Receivable - Patient accounts receivable are stated at net realizable amounts. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Hospital's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors. Contractual adjustments are written off against the allowance for contractual adjustments in the period payment is received.

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 sheet. Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law.

The Corporation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

Contributions - The Hospital reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions.

The Hospital reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Hospital reports the expiration of donor restrictions when the assets are placed in service.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Assets Limited as to Use - Assets limited as to use include assets designated by the board of trustees for future capital improvement, over which the board retains control, and may, at its discretion, subsequently use for other purposes, assets held by trustees under indenture agreements, and self-insurance trust arrangements.

Property and Equipment - Property and equipment purchases are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Bond Issue Costs and Issue Premium - Bond issue costs and original issue premium are amortized over the life of the related bond issue using the straight-line method of amortization.

Classification of Net Assets - Net assets of the Corporation are classified as temporarily restricted or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Corporation'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.

Excess of Revenue Over Expenses - The consolidated statement of operations and changes in net assets includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include net assets released from restrictions for the acquisition of long-lived assets and pension-related changes other than net periodic benefit costs.

Net Patient Service Revenue - The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactively calculated adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance with such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

Capitated Revenue - The Hospital and ME have agreements with various health maintenance organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the Hospital and ME receive monthly capitation payments based on the number of each HMO's participants, regardless of services actually performed. In addition, the HMOs make fee-for-service payments for certain covered services based on discounted fee schedules.

Professional and Other Liability Insurance - The Hospital and its subsidiaries accrue an estimate of the ultimate expense, including litigation and settlement expense, net of applicable reinsurance coverage, for incidents of potential improper professional service and other liability claims occurring during the year, as well as for those claims that have not been reported at year end (see Note 14).

Charity Care - Subsidiaries of the Corporation provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue (see Note 4).

Tax Status - The Corporation and its subsidiaries are nonprofit, tax-exempt organizations (except for ME); accordingly, no tax provision is reflected in the consolidated financial statements. The provision for taxes related to ME is not material to the consolidated financial statements. ASC is a limited liability corporation and thus no provision has been recorded.

The Corporation and its subsidiaries are subject to routine audits by taxing jurisdictions; however, no audits for any tax periods are currently in progress. Management believes it is no longer subject to tax examination for years prior to June 30, 2008.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including September 16, 2011, which is the date the consolidated financial statements were available to be issued.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements - During 2010, the Financial Accounting Standards Board (FASB) adopted new accounting guidance that will impact how healthcare organizations account for claims liabilities and charity care. The new guidance requires that the accrued liability for malpractice claims and similar liabilities and the related insurance recovery receivable be presented separately on the balance sheet on a gross basis. Prior guidance allowed the liability to be reported net of the estimated insurance recovery receivable. This new standard will be effective for the year ended June 30, 2012 and interim periods within that annual period.

New guidance has also been adopted on how to measure the amount of charity care provided to patients. The new guidance requires that cost be used as the measurement basis for charity care disclosure purposes and that the cost be identified as the direct and indirect costs of providing the charity care. No other measurement basis should be used. Prior guidance did not dictate how charity care should be measured. This new standard will be effective for the year ended June 30, 2012 and should be applied retrospectively to all prior periods presented.

During 2011, the Financial Accounting Standards Board (FASB) adopted Accounting Standards Update (ASU) 2011-07 *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The new guidance requires a change in the presentation of the statement of operations. The provision for bad debts associated with patient service revenue for certain entities will be required to be presented on a separate line as a deduction from patient service revenue (net of contractual allowances and discounts) in the statement of operations, as opposed to the current presentation as an operating expense.

The new standard will be effective for the year ended June 30, 2013, and interim and annual periods thereafter, with early adoption permitted.

The Corporation is currently assessing the impact these new standards will have on its consolidated financial statements.

Reclassifications - Certain 2010 amounts have been reclassified to conform to the 2011 presentation, the most significant being the removal of domestic claims from both net patient service revenues and fringe benefits expense.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 2 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2011	2010
Patient accounts receivable	\$ 63,143,474	\$ 70,183,118
Less:		
Allowance for uncollectible accounts	(4,156,237)	(5,262,660)
Allowance for contractual adjustments	(28,747,373)	(36,378,577)
Net patient accounts receivable	30,239,864	28,541,881
Other	98,232	99,210
Total accounts receivable	<u>\$ 30,338,096</u>	<u>\$ 28,641,091</u>

Subsidiaries of the Corporation grant credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	Percent	
	2011	2010
Medicare	31	33
Blue Cross/Blue Shield of Michigan	15	16
Medicaid	22	24
Commercial insurance and HMOs	27	22
Self-pay	5	5
Total	<u>100</u>	<u>100</u>

Note 3 - Cost Report Settlements

Subsidiaries of the Corporation have agreements with third-party payors that provide for reimbursement at amounts different from established rates. A summary of the basis of reimbursement with these third-party payors for the Hospital and ME are as follows:

- **Medicare** - Inpatient, acute-care, and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 3 - Cost Report Settlements (Continued)

- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.
- **Health Maintenance Organizations** - Services rendered to HMO beneficiaries are paid at predetermined rates or at a percentage of hospital charges.

Cost report settlements result from the adjustments of interim payments to final reimbursements under the Medicare, Medicaid, Blue Cross/Blue Shield of Michigan, and HMO programs that are subject to audit by fiscal intermediaries (see Note 19). Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. A demonstration project completed in several other states resulted in identification of potential significant overpayments. The RAC program began for Michigan hospitals in 2010. The Corporation has received requests under the RAC program, yet is unable to determine the extent of liability for overpayments, if any. The potential exists for overpayment of claims liability for the Hospital at a future date.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 4 - Community Benefit

The mission of the Corporation is to improve the health and well-being of its communities. That mission is accomplished in a number of ways, many of them through the community outreach programs and services as well as support provided to the indigent and most vulnerable members of our community. The following is an unaudited summary of the Corporation's community benefit expense at cost for the years ended June 30, 2011 and 2010.

	2011	2010
Community health improvement	\$ 262,018	\$ 269,029
Research	227,378	-
Health professions education	11,066,011	7,082,454
Subsidized health services	103	36,421
Financial and in-kind contributions	260,446	89,703
Community building activities	45,034	88,280
Traditional charity care	6,345,822	5,640,954
Unpaid costs for government program patients	16,080,579	11,772,363
Uninsured - Bad debts	6,374,600	6,771,213
Subtotal	<u>\$ 40,661,991</u>	<u>\$ 31,750,417</u>
Percentage of net revenue	<u>13.5 %</u>	<u>11.3 %</u>

Community Health Improvement - These activities are carried out to improve community health and include community health education and prevention services. These activities extend beyond patient care and are directed to individuals and to a larger population. Such services do not generate patient bills, although some may involve a nominal fee.

Research - Research includes clinical and community health research, as well as studies on healthcare delivery that are generalizable, shared with the public and funded by the government or a tax-exempt entity (including the Corporation itself). Grant funding does not need to be accounted for as offsetting revenue but should be tracked for budget and planning purposes.

Health Professions Education - TWs includes all educational programs the Corporation is involved with that are open to all health professionals in the community or that result in a degree or training necessary to practice as a health professional. This does not include orientation, in-service training or other education exclusively for the organization's staff.

Subsidized Health Services - These are negative-margin services provided despite a finance loss (after removing losses from Medicaid, charity care, and bad debt). Subsidized services are provided because they meet a community need.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 4 - Community Benefit (Continued)

Financial and In-kind Contributions - These are contributions made by the Corporation to community groups and programs that provide community benefit. In-kind contributions include the cost of staff time, when activities are done by staff on the Corporation's payroll during working hours.

Community Building Activities - These activities seek to address the root causes of health problems, such as poverty, homelessness, and environmental hazards. They include such things as housing, economic development, and coalition building.

Traditional Charity Care - This includes free and discounted health services provided to persons who cannot afford to pay and meet the Corporation's financial assistance policies. This includes the actual cost, not what would have been charged for care and does not include bad debt.

Unpaid Costs for Government Program Patients - This is shortfall created when a facility received payments below the costs of treating Medicare and Medicaid patients.

Uninsured - Bad Debts - This is the amount of uncompensated care to uninsured and underinsured patients.

Note 5 - Property and Equipment

The costs of property, plant, and equipment and depreciable lives are summarized as follows:

	2011	2010	Depreciable Life - Years
Land	\$ 8,814,904	\$ 8,814,904	-
Land improvements	4,347,412	4,132,968	5-35
Buildings	161,192,575	160,824,570	5-50
Equipment	127,585,849	119,472,301	3-7
Construction in progress	2,666,599	897,475	-
Total cost	304,607,339	294,142,218	
Accumulated depreciation	(108,417,910)	(91,647,051)	
Total property and equipment	<u>\$ 196,189,429</u>	<u>\$ 202,495,167</u>	

Construction in progress as of June 30, 2011 consisted primarily of costs related to various information technology projects and renovation projects throughout the Hospital.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 5 - Property and Equipment (Continued)

The cost of assets under the capital lease is \$17,600,000 with an accumulated amortization of approximately \$3,324,000 and \$3,111,000 at June 30, 2011 and 2010, respectively. Buildings and improvements comprise the assets under the capital lease.

Depreciation expense totaled \$16,784,433 and \$16,243,651 for the years ended June 30, 2011 and 2010, respectively.

Note 6 - Other Assets

The detail of other assets is summarized in the following schedule:

	2011	2010
Investments - At market value:		
Assets limited as to use and temporarily restricted:		
Funds held by trustees under bond indenture	\$ 16,392,424	\$ 16,409,939
Funds held in trust for payment of professional and other liability claims	3,564,949	4,565,538
By board of trustees for future capital improvements	14,829,528	12,230,954
Total assets limited as to use and temporarily restricted	34,786,901	33,206,431
General investments	8,434,188	6,683,016
Total investments	43,221,089	39,889,447
Deferred charge - Bond issue costs	2,773,084	2,889,437
Pledges receivable	1,115,234	2,481,365
Long-term notes receivable	3,005,580	4,458,639
Other	7,288,039	5,383,675
Total other assets	\$ 57,403,026	\$ 55,102,563

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 6 - Other Assets (Continued)

Investments, other than funds held under bond indenture, consist of the following:

	2011	2010
Money market investments	\$ 3,043,965	\$ 1,112,124
Government securities	2,219,220	4,504,863
Mutual funds	2,404,502	1,695,387
Corporate bonds	3,118,857	2,245,988
Common stock	11,946,153	9,745,466
Alternative investments and hedge funds	4,095,968	4,175,680
Total	<u>\$ 26,828,665</u>	<u>\$ 23,479,508</u>

Investments in funds held under bond indenture consist of the following:

	2011	2010
Money market investments	\$ 5,901,675	\$ 5,928,826
Government securities	10,490,749	10,481,113
Total	<u>\$ 16,392,424</u>	<u>\$ 16,409,939</u>

Funds held by the trustee under bond indenture are held for the purpose of making future bond principal and interest payments and payments for the new hospital construction project. Investment income accrues to the funds as earned.

Subsequent to year end, the Corporation's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Investment income and gains and losses are comprised of the following and are included in other income (loss) in the consolidated statement of operations and changes in net assets for the years ended June 30, 2011 and 2010:

	2011	2010
Dividend and interest income included in other income	\$ 1,086,487	\$ 874,696
Gain on sale of investments	1,240,049	45,852
Change in net unrealized gains on investments	1,438,747	1,396,494
Total	<u>\$ 3,765,283</u>	<u>\$ 2,317,042</u>

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Corporation's assets measured at fair value on a recurring basis at June 30, 2011 and the valuation techniques used by the Corporation to determine those fair values. During 2011, the Corporation adopted, on a prospective basis, new accounting standards which require disclosure of fair value by major class of investments.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. Significant Level 3 inputs include alternative investments.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Corporation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

In addition to the assets outlined below, the Corporation's investments included money market investments of \$8,945,640 and \$7,040,950 at June 30, 2011 and 2010, respectively.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 7 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2011

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2011
U.S. government securities	\$ -	\$ 12,709,969	\$ -	\$ 12,709,969
Mutual funds	2,404,502	-	-	2,404,502
Corporate bonds	-	3,118,857	-	3,118,857
Common stocks	11,946,153	-	-	11,946,153
Alternative investments - Diversified managed futures	-	-	1,331,630	1,331,630
Alternative investments - Diversified hedge fund of funds	-	-	2,764,338	2,764,338
Total	\$ 14,350,655	\$ 15,828,826	\$ 4,095,968	\$ 34,275,449

Assets Measured at Fair Value on a Recurring Basis at June 30, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2010
U.S. government securities	\$ -	\$ 14,985,976	\$ -	\$ 14,985,976
Mutual funds	1,695,387	-	-	1,695,387
Corporate bonds	-	2,245,988	-	2,245,988
Common stocks	9,745,466	-	-	9,745,466
Alternative investments - Diversified managed futures	-	-	1,337,090	1,337,090
Alternative investments - Diversified hedge fund of funds	-	-	2,400,656	2,400,656
Various other alternative investments	-	-	437,934	437,934
Total	\$ 11,440,853	\$ 17,231,964	\$ 4,175,680	\$ 32,848,497

The diversified managed futures fund includes investments in publicly traded futures and forward contracts on exchanges globally. The contracts cover interest rates, equity indices, commodities, and currencies. The strategies follow price trends in those markets and can go long or short.

The diversified hedge fund of funds invest in other hedge funds. The strategies include trading strategies, event-driven, long-short equity, credit investments, private equity, and natural resources.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 7 - Fair Value Measurements (Continued)

The following table sets forth a summary of the changes in the fair value of the Corporation's Level 3 assets for the years ended June 30, 2011 and 2010:

	Fair Value at July 1, 2010	Purchases	Sales	Total Unrealized and Realized Gains (Net)	Fair Value at June 30, 2011
Alternative investments	\$ 4,175,680	\$ 145,972	\$ (543,135)	\$ 317,451	\$ 4,095,968

	Fair Value at July 1, 2009	Net Purchases, Sales, Calls, and Maturities	Total Realized and Unrealized Gains Included in Other Revenue	Fair Value at June 30, 2010
Alternative investments	\$ 2,444,395	\$ 1,469,831	\$ 261,454	\$ 4,175,680

Note 8 - Line of Credit

The Hospital has an unsecured operating line of credit with a local bank in the amount of \$3,500,000, with an interest rate based on the bank's prime rate. The line of credit expires on July 1, 2012. Outstanding borrowings at June 30, 2011 and 2010 were \$3,300,000 and \$2,500,000, respectively. The effective interest rate on the line of credit at June 30, 2011 and 2010 was 3.44 percent and 2.85 percent, respectively.

Subsequent to June 30, 2011, the line of credit balance was paid off in full.

Note 9 - Long-term Debt

Long-term debt at June 30 is as follows:

	2011	2010
Bonds payable, Series 2005A	\$ 132,295,000	\$ 133,670,000
Original issue premium	3,974,369	4,140,545
Bonds payable, Series 2005B	29,120,000	29,565,000
Capital lease obligations	14,298,366	14,866,638
Total	179,687,735	182,242,183
Less current portion	2,682,917	2,562,728
Long-term portion	\$ 177,004,818	\$ 179,679,455

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 9 - Long-term Debt (Continued)

Bonds payable, Series 2005A consist of hospital revenue bonds issued by Kent Hospital Finance Authority. The bonds consist of serial bonds payable in annual installments through July 1, 2015, ranging from \$1,420,000 to \$1,645,000 at interest rates ranging from 5.00 percent to 5.50 percent and term bonds payable in annual installments beginning in 2016 through 2040, ranging from \$1,710,000 to \$9,815,000 at interest rates ranging from 5.25 percent to 6.25 percent. The bonds were issued by the Obligated Group, which consists of the Hospital, the Foundation, and MHC. The bonds are collateralized by certain assets of the Hospital and are payable from the net revenue of the Obligated Group.

Bonds payable, Series 2005B, consist of variable rate demand revenue and revenue refunding bonds issued by Kent Hospital Finance Authority. The bonds are payable in annual installments through July 1, 2040, ranging from \$460,000 to \$1,700,000, at a variable interest rate, an effective rate of 0.08 percent and 0.38 percent at June 30, 2011 and 2010, respectively, plus a letter of credit fee. The variable rate bonds are remarketed on a weekly basis. Should the remarketing agent be unable to remarket the bonds based on its best efforts, the bonds would be put back to the bond trustee, who would draw down on the letter of credit to pay down the bonds. The reimbursement agreement between the letter of credit bank and the Hospital call for the Hospital to reimburse the letter of credit bank for any remarketing draws based on a payment schedule consistent with the original bonds. The letter of credit expires on April 16, 2014.

Under terms of the bond agreements, the Hospital is required to comply with certain financial covenants relating to net assets, capital expenditures, and debt service coverage ratios.

At June 30, 2011, the Hospital was in violation of the capital expenditures covenant. The bank has waived that requirement of the agreements as of and for the year ended June 30, 2011.

The capital lease obligation consists of capital leases entered into for various medical plazas. The capital leases require monthly payments of approximately \$150,000, including interest at an imputed rate of 6.5 percent. The capital leases expire in July 2023.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 9 - Long-term Debt (Continued)

Minimum principal payments on bonds payable to maturity as of June 30, 2011 are as follows:

2012	\$ 1,880,000
2013	1,940,000
2014	2,005,000
2015	2,070,000
2016	2,150,000
Thereafter	<u>151,370,000</u>
Total	<u>\$ 161,415,000</u>

Future minimum lease payments of the capital leases as of June 30, 2011 are as follows:

2012	\$ 1,589,175
2013	1,617,509
2014	1,648,436
2015	1,679,354
2016	1,709,425
Thereafter	<u>12,844,324</u>
Total minimum lease payments	21,088,223
Less amount representing interest	<u>(6,789,857)</u>
Present value of minimum lease payments	<u>\$ 14,298,366</u>

The financial statements have been prepared under the assumption that the bank will waive its right to call its loan(s) resulting from loan covenant violations and long-term liabilities will not have to be reclassified as current.

Note 10 - Accrued and Other Current Liabilities

The details of accrued liabilities at June 30 are as follows:

	2011	2010
Payroll and related items	\$ 4,370,247	\$ 4,745,981
Compensated absences	4,037,532	3,869,252
Interest	3,878,473	3,923,836
Other	<u>5,448</u>	<u>6,513</u>
Total accrued liabilities	<u>\$ 12,291,700</u>	<u>\$ 12,545,582</u>

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 11 - Other Liabilities

The detail of other liabilities is given below:

	2011	2010
Accrued defined benefit pension cost (Note 12)	\$ 15,443,025	\$ 22,134,197
Accrued postretirement benefit cost (Note 13)	-	1,198,931
Accrued professional and other liability claims (Note 14)	1,213,420	2,050,748
Accrued defined contribution pension cost	1,636,670	1,509,265
Other	774,698	502,809
Total other liabilities	<u>\$ 19,067,813</u>	<u>\$ 27,395,950</u>

Note 12 - Pension Plans

The Hospital has a noncontributory, defined benefit pension plan covering substantially all employees. The plan generally provides benefits based on each employee's years of service and final average earnings (as defined). The Hospital intends to annually contribute amounts deemed necessary, if any, to maintain the plan on a sound actuarial basis. Effective December 31, 2007, the Hospital elected to freeze the pension plan for all employees.

The following table sets forth the funded status of the plan and other information as of and for the years ended June 30, 2011 and 2010, the measurement dates for the plan:

	2011	2010
Accumulated benefit obligation	<u>\$ (67,271,639)</u>	<u>\$ (66,931,082)</u>
Projected benefit obligation	\$ (67,271,639)	\$ (66,931,082)
Plan assets at fair value	51,828,614	44,796,885
Funded status	<u>\$ (15,443,025)</u>	<u>\$ (22,134,197)</u>
Total accrued pension liability	<u>\$ (15,443,025)</u>	<u>\$ (22,134,197)</u>
Net periodic pension cost	\$ 29,773	\$ 706,724
Employer contributions	1,739,220	1,449,608
Benefits paid	2,215,967	2,112,942
Actuarial assumptions used to determine benefit obligations at June 30 - Weighted average discount rate	5.80 %	5.70 %
Actuarial assumptions used to determine net periodic benefit cost for the year ended June 30:		
Weighted average discount rate	5.70 %	6.50 %
Expected rate of return on plan assets	8.50 %	8.50 %

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 12 - Pension Plans (Continued)

The estimated net loss and prior service cost for the defined benefit pension plan that will be amortized from net assets into net periodic benefit cost over the next fiscal year is \$584,827.

In selecting the expected long-term rate of return on assets, the Hospital considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the allocation of trust assets and the expected returns likely to be earned over the life of the plan. The Hospital's historical rate of return on a fiscal-year basis averaged approximately 8.50 percent per annum for the 10-year period ended June 30, 2011.

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

	Percent	
	2011	2010
Cash and cash equivalents	6	1
Equity securities	59	50
Debt securities	18	30
Alternative investments and hedge funds	17	19
Total	100	100

The Hospital expects to contribute \$2,260,265 to its pension plan in 2012. The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid:

2012	\$	2,455,389
2013		2,835,143
2014		3,004,693
2015		3,246,702
2016		3,422,534
2017-2021		21,181,529

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 12 - Pension Plans (Continued)

The Hospital's pension plan had \$2,985,772 of cash and cash equivalents at June 30, 2011, which is stated at fair value. The fair values of the Hospital's pension plan assets at June 30, 2011 by major asset categories are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks and mutual funds	\$ 30,885,189	\$ -	\$ -
Fixed-income funds	-	9,253,315	-
Alternative investments	-	-	8,704,338

The Hospital's pension plan had \$564,408 of cash and cash equivalents at June 30, 2010, which is stated at fair value. The fair values of the Hospital's pension plan assets at June 30, 2010 by major asset categories are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks and mutual funds	\$ 22,691,257	\$ -	\$ -
Fixed-income funds	-	13,178,974	-
Alternative investments	-	-	8,362,246

The above table presents information about the pension plan assets measured at fair value at June 30, 2011 and the valuation techniques used by the Hospital to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Hospital has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 12 - Pension Plans (Continued)

The following table sets forth a summary of the changes in the fair value of the Corporation's Level 3 assets for the years ended June 30, 2011 and 2010:

	Fair Value at July 1, 2010	Purchases	Sales	Total Unrealized and Realized Gains (Net)	Fair Value at June 30, 2011
Alternative investments	\$ 8,362,246	\$ 1,599,996	\$ (265,775)	\$ (992,129)	\$ 8,704,338

	Fair Value at July 1, 2009	Purchases	Sales	Total Unrealized and Realized Gains (Net)	Fair Value at June 30, 2010
Alternative investments	\$ 8,860,083	\$ 1,426,984	\$ (4,127,138)	\$ 2,202,317	\$ 8,362,246

The Hospital and other affiliates maintain defined contribution retirement plans covering substantially all employees. Contributions to the plans totaled \$3,260,562 and \$2,376,291 for the years ended June 30, 2011 and 2010, respectively.

Note 13 - Postretirement Benefits

The Hospital sponsors a defined benefit postretirement plan that provides postretirement medical benefits to substantially all employees who have attained the age of 62 and have a minimum of five years of continuous full-time service. The retiree healthcare plan requires participant contributions and deductibles. The postretirement healthcare plan is not funded. During 2005, the Hospital elected to cease coverage for any employees not retired prior to January 1, 2005. During 2011, the Hospital terminated the plan in its entirety and settlement payments were provided to participants. At June 30, 2010, the unfunded status of the plan was \$1,198,931. Benefit payments in 2010 were \$109,481 and net periodic postretirement cost was \$66,119. Significant actuarial assumptions were a 5.7 percent discount rate to determine the liability and a 6.5 percent discount rate to determine the benefit cost as of June 30, 2010.

Note 14 - Professional Liability Self-insurance

The Hospital maintains a program of self-insurance for professional and other liability claims up to \$3 million. A revocable trust is maintained with a trustee to provide funds for payment of any future settlements. The Hospital makes necessary contributions to the trust fund, as determined by an independent actuary, to adequately provide for asserted or expected claims. The Hospital also purchased excess liability coverage from independent carriers at varying limits, on an occurrence-made basis.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 14 - Professional Liability Self-Insurance (Continued)

At June 30, 2011 and 2010, the Hospital made provisions for the estimated losses in connection with those professional and other liability claims for incidents occurring during the years then ended for which amounts can be reasonably estimated, including provisions for claims incurred but not reported at year end. Estimates are based upon projections by an independent actuary and the evaluation of claims of substance by professional liability legal counsel. The provisions include the estimated settlement amount of professional and other liability claims, as well as an estimate of defense cost.

The assets of the trusts are included in the consolidated balance sheet with assets limited as to use (see Note 6).

Note 15 - Operating Leases

The Corporation is obligated under certain operating leases, primarily for facilities and equipment. Total rent expense under these leases was approximately \$11,818,000 and \$6,290,000 for the years ended June 30, 2011 and 2010, respectively.

Future minimum rental commitments are as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2012	\$ 14,360,000
2013	10,220,000
2014	7,600,000
2015	5,770,000
2016	4,390,000
Thereafter	9,400,000
Total	<u>\$ 51,740,000</u>

Note 16 - Functional Expenses

The Hospital is a general acute-care facility that provides inpatient and outpatient healthcare services to patients in Kent and Ottawa Counties and their vicinities. Expenses related to providing these services for the years ended June 30 are as follows:

	<u>2011</u>	<u>2010</u>
Healthcare services	\$ 202,535,410	\$ 195,707,031
General and administrative	89,699,502	78,959,634
Total	<u>\$ 292,234,912</u>	<u>\$ 274,666,665</u>

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 17 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents - The carrying amount approximates fair value because of the short maturity of those instruments.

Investments - Investments are recorded at fair value in the accompanying consolidated financial statements. Fair value is determined based on the fair value measurement principles outlined in Note 7.

Accounts Receivable, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the consolidated balance sheet for accounts receivable, accounts payable, and accrued liabilities approximates its fair value.

Estimated Third-party Payor Settlements - Net - The carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements - net approximates its fair value.

Long-term Debt - The fair value of the Hospital's bonds is estimated based on current traded value. The fair value of the Hospital's remaining debt is estimated using discounted cash flow analysis, based on current investment borrowing rates for similar types of borrowing arrangements. The carrying amount of long-term debt approximates market value at June 30, 2011 and 2010.

Note 18 - Sale and Leaseback of Plazas

During 2004, the Hospital entered an agreement to sell various medical plazas and then lease the plazas back under lease arrangements for 20 years. The sale price of the plazas was \$13,000,000, resulting in a gain on sale of approximately \$1,770,000. The leases are treated as capital leases and the gain on the sale of the plazas was deferred and recognized over the period of the lease.

Note 19 - Contingency

During 2007, the Hospital received notice from the Medicare program regarding a change in interpretation of qualifying disproportionate share days related to the 2003 and 2004 cost reports, as part of the cost report finalization process for these years.

The interpretation change, along with a regulation change by Medicare in 2005 that the Hospital has brought to court, results in a significant reduction of disproportionate share reimbursement for 2003 through 2011. The impact of the change in interpretation and regulation for the years ended 2003 through 2011 is approximately \$14 million.

The Hospital and its legal counsel have begun the process of appealing the interpretation change with the Medicare program and have brought suit in federal court related to the regulation change.

Metro Health Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2011 and 2010

Note 19 - Contingency (Continued)

During 2010, the Federal District Court issued an opinion agreeing with the Hospital's position. The Court has ordered the Hospital and Medicare to submit a final judgment for the amount owed to the Hospital. The Hospital feels that there is a high likelihood that the Hospital's position will prevail, based on its circumstances and recent results in federal district court. Accordingly, the accompanying consolidated financial statements reflect a receivable for the funds in question and the reduction in the disproportionate share reimbursement to Medicare has not been recognized in the accompanying consolidated financial statements.

If the Hospital does not prevail in the appeal process, the Hospital will be required to recognize the receivable from Medicare and a reduction in revenue in the fiscal period in which the appeal process concludes.

Additional Information



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Independent Auditor's Report on Additional Information

To the Board of Directors
Metro Health Corporation and Affiliates

We have audited the consolidated financial statements of Metro Health Corporation and Affiliates as of June 30, 2011 and 2010. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following consolidating statements, as listed in the table of contents, are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities and are not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Plante & Moran, PLLC

September 16, 2011



Metro Health Corporation and Affiliates

Consolidating Balance Sheet June 30, 2011

	Metro Health Hospital	Metropolitan Enterprises	Metro Health Hospital Foundation	Metro Health Corporation	Metro Health ASC, LLC	Eliminations	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 31,436,091	\$ 64,583	\$ 433,357	\$ -	\$ 790,473	\$ -	\$ 32,724,504
Accounts receivable - Net	27,223,871	2,222,324	-	-	891,901	-	30,338,096
Cost report settlements receivable	15,005,539	-	-	-	-	-	15,005,539
Other current assets	8,072,102	87,012	-	-	335,111	(300,005)	8,194,220
Total current assets	81,737,603	2,373,919	433,357	-	2,017,485	(300,005)	86,262,359
Property and Equipment - Net	195,237,061	317,544	-	-	634,824	-	196,189,429
Other Assets	51,573,741	190,045	9,549,422	210,743	-	(4,120,925)	57,403,026
Total assets	<u>\$ 328,548,405</u>	<u>\$ 2,881,508</u>	<u>\$ 9,982,779</u>	<u>\$ 210,743</u>	<u>\$ 2,652,309</u>	<u>\$ (4,420,930)</u>	<u>\$ 339,854,814</u>
Liabilities and Net Assets							
Current Liabilities							
Bank line of credit	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000
Current portion of long-term debt	2,682,917	-	-	-	-	-	2,682,917
Accounts payable	15,060,982	3,309,021	215,470	-	675,279	(2,275,237)	16,985,515
Cost report settlements payable	4,706,378	-	-	-	-	-	4,706,378
Deferred revenue	1,069,354	-	-	-	-	-	1,069,354
Accrued liabilities and other	11,541,499	750,201	-	-	-	-	12,291,700
Total current liabilities	38,361,130	4,059,222	215,470	-	675,279	(2,275,237)	41,035,864
Long-term Debt - Net of current portion	177,004,818	-	-	-	-	-	177,004,818
Other Liabilities	19,067,813	-	-	-	832,231	(832,231)	19,067,813
Total liabilities	234,433,761	4,059,222	215,470	-	1,507,510	(3,107,468)	237,108,495
Net Assets							
Unrestricted	94,114,644	(1,177,714)	5,272,363	210,743	1,144,799	(1,313,462)	98,251,373
Temporarily restricted	-	-	4,494,946	-	-	-	4,494,946
Total liabilities and net assets	<u>\$ 328,548,405</u>	<u>\$ 2,881,508</u>	<u>\$ 9,982,779</u>	<u>\$ 210,743</u>	<u>\$ 2,652,309</u>	<u>\$ (4,420,930)</u>	<u>\$ 339,854,814</u>

Metro Health Corporation and Affiliates

Consolidating Statement of Operations Year Ended June 30, 2011

	Metro Health Hospital	Metropolitan Enterprises	Metro Health Hospital Foundation	Metro Health Corporation	Metro Health ASC, LLC	Eliminations	Total
Unrestricted Revenue, Gains, and Other Support							
Net patient service revenue	\$ 258,968,271	\$ 21,686,814	\$ -	\$ -	\$ 6,871,096	\$ -	\$ 287,526,181
Capitation revenue	-	4,062,866	-	-	-	-	4,062,866
Other	10,829,705	508,480	-	-	610	(2,173,003)	9,165,792
Total unrestricted revenue, gains, and other support	269,797,976	26,258,160	-	-	6,871,706	(2,173,003)	300,754,839
Expenses							
Salaries	87,682,368	7,136,398	-	-	1,397,883	-	96,216,649
Fringe benefits	23,500,578	989,462	-	-	147,985	-	24,638,025
Supplies	45,093,123	2,454,987	-	-	2,397,992	-	49,946,102
Professional liability and legal costs	729,347	-	-	-	-	-	729,347
Purchased services	32,757,946	12,748,719	-	-	669,669	-	46,176,334
Other	29,389,972	3,418,226	-	-	1,587,502	(2,173,003)	32,222,697
Depreciation and amortization	16,566,215	164,033	-	-	54,185	-	16,784,433
Provision for bad debts	15,233,178	523,937	-	-	-	-	15,757,115
Interest expense	9,738,013	-	-	-	26,197	-	9,764,210
Total expenses	260,690,740	27,435,762	-	-	6,281,413	(2,173,003)	292,234,912
Operating Income (Loss) Before Sale of Property and Equipment	9,107,236	(1,177,602)	-	-	590,293	-	8,519,927
Gain (loss) on Sale of Property and Equipment	14,307	(112)	-	-	-	-	14,195
Operating Income (Loss)	9,121,543	(1,177,714)	-	-	590,293	-	8,534,122
Other Income (Loss)							
Investment income	1,794,918	-	531,618	-	-	-	2,326,536
Contributions	204,055	-	26,764	-	-	(204,055)	26,764
Change in unrealized investment income	929,414	-	509,333	-	-	-	1,438,747
Other	137,236	-	(1,464,423)	31,193	-	204,055	(1,091,939)
Total other income (loss)	3,065,623	-	(396,708)	31,193	-	-	2,700,108
Excess of Revenue Over (Under) Expenses	12,187,166	(1,177,714)	(396,708)	31,193	590,293	-	11,234,230
Transfer (to) from Affiliate	(2,486,079)	2,486,079	-	-	-	-	-
Other Change in Net Assets	-	-	-	-	(81,669)	-	(81,669)
Pension-related Changes Other than Net Periodic Benefit Cost	5,374,466	-	-	-	-	-	5,374,466
Net Assets Released from Restriction	-	-	2,009,844	-	-	-	2,009,844
Increase in Unrestricted Net Assets	\$ 15,075,553	\$ 1,308,365	\$ 1,613,136	\$ 31,193	\$ 508,624	\$ -	\$ 18,536,871

Metro Health Corporation and Affiliates

Consolidating Balance Sheet Including Metropolitan Obligated Group June 30, 2011

	Metropolitan Obligated Group	Nonobligated Group Members	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 31,869,448	\$ 855,056	\$ -	\$ 32,724,504
Accounts receivable - Net	27,223,871	3,114,225	-	30,338,096
Cost report settlements receivable	15,005,539	-	-	15,005,539
Other current assets	8,072,102	422,123	(300,005)	8,194,220
Total current assets	82,170,960	4,391,404	(300,005)	86,262,359
Property and Equipment - Net	195,237,061	952,368	-	196,189,429
Other Assets	61,333,906	190,045	(4,120,925)	57,403,026
Total assets	<u>\$ 338,741,927</u>	<u>\$ 5,533,817</u>	<u>\$ (4,420,930)</u>	<u>\$ 339,854,814</u>
Liabilities and Net Assets				
Current Liabilities				
Bank line of credit	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000
Current portion of long-term debt	2,682,917	-	-	2,682,917
Accounts payable	15,276,452	3,984,300	(2,275,237)	16,985,515
Cost report settlements payable	4,706,378	-	-	4,706,378
Deferred revenue	1,069,354	-	-	1,069,354
Accrued liabilities and other	11,541,499	750,201	-	12,291,700
Total current liabilities	38,576,600	4,734,501	(2,275,237)	41,035,864
Long-term Debt - Net of current portion	177,004,818	-	-	177,004,818
Other Liabilities	19,067,813	832,231	(832,231)	19,067,813
Total liabilities	234,649,231	5,566,732	(3,107,468)	237,108,495
Net Assets				
Unrestricted	99,597,750	(32,915)	(1,313,462)	98,251,373
Temporarily restricted	4,494,946	-	-	4,494,946
Total net assets	104,092,696	(32,915)	(1,313,462)	102,746,319
Total liabilities and net assets	<u>\$ 338,741,927</u>	<u>\$ 5,533,817</u>	<u>\$ (4,420,930)</u>	<u>\$ 339,854,814</u>

Metro Health Corporation and Affiliates

Consolidating Statement of Operations Including Metropolitan Obligated Group Year Ended June 30, 2011

	Metropolitan Obligated Group	Nonobligated Group Members	Eliminations	Total
Unrestricted Revenue, Gains, and Other Support				
Net patient service revenue	\$ 258,968,271	\$ 28,557,910	\$ -	\$ 287,526,181
Capitation revenue	-	4,062,866	-	4,062,866
Other	10,829,705	509,090	(2,173,003)	9,165,792
Total unrestricted revenue, gains, and other support	269,797,976	33,129,866	(2,173,003)	300,754,839
Expenses				
Salaries	87,682,368	8,534,281	-	96,216,649
Fringe benefits	23,500,578	1,137,447	-	24,638,025
Supplies	45,093,123	4,852,979	-	49,946,102
Professional liability and legal costs	729,347	-	-	729,347
Purchased services	32,757,946	13,418,388	-	46,176,334
Other	29,389,972	5,005,728	(2,173,003)	32,222,697
Depreciation and amortization	16,566,215	218,218	-	16,784,433
Provision for bad debts	15,233,178	523,937	-	15,757,115
Interest expense	9,738,013	26,197	-	9,764,210
Total expenses	260,690,740	33,717,175	(2,173,003)	292,234,912
Operating Income (Loss) Before Sale of Property and Equipment	9,107,236	(587,309)	-	8,519,927
Gain (loss) on Sale of Property and Equipment	14,307	(112)	-	14,195
Operating Income (Loss)	9,121,543	(587,421)	-	8,534,122
Other Income	2,700,108	-	-	2,700,108
Excess of Revenue Over (Under) Expenses	11,821,651	(587,421)	-	11,234,230
Transfer (to) from Affiliate	(2,486,079)	2,486,079	-	-
Other Change in Net Assets	-	(81,669)	-	(81,669)
Pension-related Changes Other than Net Periodic Pension Costs	5,374,466	-	-	5,374,466
Net Assets Released from Restriction	2,009,844	-	-	2,009,844
Increase in Unrestricted Net Assets	16,719,882	1,816,989	-	18,536,871
Unrestricted Net Assets (Deficit) - Beginning of year	82,877,868	(1,849,904)	(1,313,462)	79,714,502
Unrestricted Net Assets (Deficit) - End of year	<u>\$ 99,597,750</u>	<u>\$ (32,915)</u>	<u>\$ (1,313,462)</u>	<u>\$ 98,251,373</u>