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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2017

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public

Information about Form 990 and its instructions is at [www.irs.gov/form990](#)

Department of the Treasury
Internal Revenue Service

2017

Open to Public Inspection

A For the 2017 calendar year, or tax year beginning 07-01-2017 , and ending 06-30-2018

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

FLAGSTAFF MEDICAL CENTER

% JOHN A CORTESE CPA

Doing business as

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

POST OFFICE BOX 1268

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

FLAGSTAFF, AZ 860021268

F Name and address of principal officer

FLORENCE L SPYROW

1200 N Beaver St

FLAGSTAFF, AZ 86001

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

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

H(c) Group exemption number ▶

D Employer identification number

86-0110232

E Telephone number

(928) 779-3366

G Gross receipts \$ 465,954,141

I Tax-exempt status

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

J Website: ▶ WWW.NAHEALTH.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1936

M State of legal domicile AZ

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

IMPROVING HEALTH, HEALING PEOPLE

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total unrelated business revenue from Part VIII, column (C), line 12

7b Net unrelated business taxable income from Form 990-T, line 34

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Prior Year

Current Year

Beginning of Current Year

End of Year

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

JOHN CORTESE NAH TREASURER

Type or print name and title

2019-05-13

Date

Paid Preparer Use Only

Print/Type preparer's name

BRENDA D GRIESEMER

Preparer's signature

BRENDA D GRIESEMER

Date

2019-05-14

Check ☐ if self-employed

PTIN

P00264669

Firm's name ▶ ERNST & YOUNG US LLP

Firm's EIN ▶

Firm's address ▶ TWO NORTH CENTRAL AVENUE STE 2300

Phone no (602) 322-3000

PHOENIX, AZ 85004

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

IMPROVING HEALTH, HEALING PEOPLE

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a	(Code)	(Expenses \$ 325,139,736	including grants of \$ 8,577,385)	(Revenue \$ 410,789,223)
See Additional Data				

4b	(Code)	(Expenses \$ 23,139,000	including grants of \$ 0)	(Revenue \$ 31,522,000)
See Additional Data				

4c	(Code)	(Expenses \$ 8,260,000	including grants of \$ 0)	(Revenue \$ 11,630,000)
See Additional Data				

4d	Other program services (Describe in Schedule O)			
	(Expenses \$ 0	including grants of \$ 0)	(Revenue \$ 0)	

4e	Total program service expenses ▶	356,538,736
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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>	1	Yes
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	2	No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4	Yes
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	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>	11a	Yes
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	Yes
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f	Yes
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b	Yes
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	No

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government 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 or other assistance to or for domestic individuals 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, line 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 through 24d and complete Schedule K. If "No," go to line 25a</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), 501(c)(4), and 501(c)(29) 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 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	No
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 Yes	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a Yes	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b Yes	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b 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 or note to any line in this Part V ☒

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	568
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	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)?	4a	No
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a	
b	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	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

Check if Schedule O contains a response or note to any line 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	13	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

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

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

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records:
 ► JOHN A CORTESE CPA 914 N SAN FRANCISCO ST SUITE M FLAGSTAFF, AZ 86001 (928) 214-3545

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

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

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

[illegible]

[illegible]

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

Section B. Independent Contractors

(A) Name and business address	(B) Description of services	(C) Compensation
FOREST COUNTRY ANESTHESIA, 77 WEST FOREST AVENUE FLAGSTAFF, AZ 86001	ANESTHESIA SERVICES	4,068,598
HEALTHCARE SELECT, DEPT LA 24465 PASADENA, CA 911854465	CONTRACT LABOR	3,366,965
MOUNTAIN HEART PLLC, 2000 S THOMPSON ROAD FLAGSTAFF, AZ 86001	MEDICAL SERVICES	2,854,845
PHOENIX CARDIAC SURGERY PC, 3131 E CLARENDON AVE STE 102 PHOENIX, AZ 85016	SURGERY SERVICES	2,601,837
FLAGSTAFF EMERGENCY PHYSICIANS, 2620 DOVES NEST LANE FLAGSTAFF, AZ 86001	ER MEDICAL STAFFING	2,269,110

Form 990 (2017)

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a				
	b Membership dues . . .	1b				
	c Fundraising events . . .	1c	0			
	d Related organizations	1d				
	e Government grants (contributions)	1e	177,793			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	147,936			
	g Noncash contributions included in lines 1a-1f \$ _____		0			
	h Total. Add lines 1a-1f		325,729			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICES REVENUE	621110	442,150,937	442,150,937	0	0
	b PHARMACY	446110	5,182,192	4,145,754	1,036,438	0
	c CAFETERIA	900099	2,171,315	2,171,315	0	0
	d INTERCOMPANY RENT INCOME	531120	316,630	316,630	0	0
	e AUXILIARY GIFT SHOP SALES	900099	250,683	250,683	0	0
	f All other program service revenue		644	644		0
	g Total. Add lines 2a-2f		450,072,401			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		8,304,813			8,304,813
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
	6a Gross rents	(i) Real (ii) Personal				
	b Less rental expenses					
	c Rental income or (loss)	0 0				
	d Net rental income or (loss)		0			
	7a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less cost or other basis and sales expenses					
	c Gain or (loss)	3,371,814 10,562				
	d Net gain or (loss)		3,382,376			3,382,376
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a 0				
	b Less direct expenses	b 0				
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities See Part IV, line 19	a 0				
	b Less direct expenses	b 0				
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances	a 0				
b Less cost of goods sold	b 0					
c Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue	Business Code					
11a NON-PATIENT ROOMS	900099	267,870	267,870	0	0	
b PROGRAM FEES	900099	198,939	198,939	0	0	
c STANDBY FEES	900099	166,788	166,788	0	0	
d All other revenue		3,235,225	3,235,225	0	0	
e Total. Add lines 11a-11d		3,868,822				
12 Total revenue. See Instructions		465,954,141	452,904,785	1,036,438	11,687,189	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	8,577,385	8,577,385		
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	0	0		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0	0		
4 Benefits paid to or for members.	0	0		
5 Compensation of current officers, directors, trustees, and key employees.	1,750,177	518,510	1,231,667	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0	0	0	0
7 Other salaries and wages.	137,233,602	120,486,315	16,747,287	0
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	6,616,172	5,858,485	757,687	0
9 Other employee benefits.	4,053,639	3,589,414	464,225	0
10 Payroll taxes.	20,322,514	17,995,171	2,327,343	0
11 Fees for services (non-employees):				
a Management.	223,728	223,728	0	0
b Legal.	396,401	-133,081	529,482	0
c Accounting.	198,996	169,859	29,137	0
d Lobbying.	10,608	0	10,608	0
e Professional fundraising services. See Part IV, line 17.	0			0
f Investment management fees.	18,763	0	18,763	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	37,437,083	33,078,779	4,358,304	0
12 Advertising and promotion.	488,042	429,809	58,233	0
13 Office expenses.	93,077,906	88,484,378	4,593,528	0
14 Information technology.	1,649,815	923,388	726,427	0
15 Royalties.	0	0	0	0
16 Occupancy.	4,755,915	4,418,018	337,897	0
17 Travel.	543,233	453,547	89,686	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0	0	0	0
19 Conferences, conventions, and meetings.	199,118	199,118	0	0
20 Interest.	4,023,542	0	4,023,542	0
21 Payments to affiliates.	0			0
22 Depreciation, depletion, and amortization.	16,810,680	12,427,152	4,383,528	0
23 Insurance.	4,047,529	373,296	3,674,233	0
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a EXP REIMBURSEMENTS TO NAH	52,900,973	53,062,445	-161,472	0
b CONTRACT MAINTENANCE	3,823,839	3,823,839	0	0
c CONSULTING	1,723,711	507,020	1,216,691	0
d COLLECTION EXPENSE	1,610,618	27,044	1,583,574	0
e All other expenses	805,286	1,045,117	-239,831	
25 Total functional expenses. Add lines 1 through 24e.	403,299,275	356,538,736	46,760,539	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).	0			

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		10,286,641	1	9,468,897
	2	Savings and temporary cash investments		14,575,072	2	17,709,859
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		69,072,616	4	68,955,574
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		6,260,778	7	5,911,744
	8	Inventories for sale or use		7,256,909	8	7,976,919
	9	Prepaid expenses and deferred charges		2,971,956	9	3,902,422
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a 402,473,640			
	b	Less: accumulated depreciation	10b 256,094,046	146,243,172	10c	146,379,594
	11	Investments—publicly traded securities		424,556,633	11	451,370,247
	12	Investments—other securities. See Part IV, line 11		40,000,000	12	36,617,310
	13	Investments—program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		16,353,150	15	17,267,760
16	Total assets. Add lines 1 through 15 (must equal line 34)		737,576,927	16	765,560,326	
Liabilities	17	Accounts payable and accrued expenses		29,319,493	17	34,781,612
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		140,154,380	20	135,211,031
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		210,464	23	185,021
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		58,938,590	25	45,192,269
	26	Total liabilities. Add lines 17 through 25		228,622,927	26	215,369,933
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		508,954,000	27	550,190,393
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		508,954,000	33	550,190,393
	34	Total liabilities and net assets/fund balances		737,576,927	34	765,560,326

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	465,954,141
2	Total expenses (must equal Part IX, column (A), line 25)	2	403,299,275
3	Revenue less expenses Subtract line 2 from line 1	3	62,654,866
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	508,954,000
5	Net unrealized gains (losses) on investments	5	16,699,586
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-38,118,059
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	550,190,393

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

Additional Data

Software ID:

Software Version:

EIN: 86-0110232

Name: FLAGSTAFF MEDICAL CENTER

Form 990 (2017)

Form 990, Part III, Line 4a:

FLAGSTAFF MEDICAL CENTER PROVIDES COMPREHENSIVE HEALTHCARE SERVICES, INCLUDING PRIMARY CARE AND SPECIALTY PHYSICIAN CLINICS, CANCER CENTERS OF NORTHERN ARIZONA HEALTHCARE, ENTIRECARE REHAB & SPORTS MEDICINE, AND FIT KIDS OF ARIZONA SEE SCHEDULE O FOR FURTHER DETAILS

Form 990, Part III, Line 4b:

GUARDIAN AIR PROVIDES AIR TRANSPORTATION SERVICES TO PATIENTS THROUGHOUT THE NORTHERN ARIZONA COMMUNITY, ENABLING FLAGSTAFF MEDICAL CENTER TO EXPAND ITS SCOPE OF SERVICES BY SERVING PATIENTS FROM THE MOMENT TREATMENT BEGINS IN THE AIR TRANSPORT

Form 990, Part III, Line 4c:

GUARDIAN MEDICAL PROVIDES AMBULANCE SERVICES TO PATIENTS THROUGHOUT THE NORTHERN ARIZONA COMMUNITY, ENABLING FLAGSTAFF MEDICAL CENTER TO
EXPAND ITS SCOPE OF SERVICES BY SERVING PATIENTS FROM THE MOMENT TREATMENT BEGINS IN THE GROUND AMBULANCE

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
FLORENCE SPYROW NAH PRESIDENT/CEO (AS OF 3/18)	24 0 16 0	X		X				0	430,515	16,100
ALICE GAGNAIRE RN DIRECTOR/CHAIR	1 0 2 0	X		X				0	0	0
SHAWN ORME DIRECTOR/VICE CHAIR	1 0 6 0	X		X				0	0	0
CHARLES MARR DIRECTOR/TREASURER	1 0 7 0	X		X				0	0	0
ELIZABETH MCFARLAND DIRECTOR/SECRETARY	1 0 2 0	X		X				0	0	0
ANDREW ALDRIDGE MD DIRECTOR	1 0 2 0	X						0	0	0
JANET CORRIGAN DIRECTOR	1 0 2 0	X						0	0	0
WILLIAM JEFFERS DIRECTOR	1 0 2 0	X						0	0	0
RICHARD KRUSE DIRECTOR	1 0 2 0	X						0	0	0
WILLIAM RILEY DIRECTOR (AS OF 10/17)	1 0 2 0	X						0	0	0

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KENNETH SALCE MD DIRECTOR	1 0 2 0	X						0	0	0
RAY SELNA DIRECTOR	1 0 3 0	X						0	0	0
GUADALUPE WOODSON FNP DIRECTOR	1 0 2 0	X						0	0	0
ROBERT THAMES NAH PRESIDENT/CEO (THRU 3/18)	1 0 39 0	X		X				0	571,379	30,711
JOHN HARRINGTON INTERIM CAO (AS OF 05/18)	40 0 0 0			X				0	22,500	0
JEFFREY TREASURE NAH CHIEF FIN OFFICER	1 0 39 0			X				0	366,723	33,531
RICHARD NEFF CHIEF MEDICAL OFFICER	40 0 0 0				X			0	364,143	40,583
DON STOOKEY CHIEF SUPPORT SERVICES	40 0 0 0				X			0	184,500	0
KATY WILKENS CHIEF NURSING OFFICER	40 0 0 0				X			0	225,279	10,135
RENZO CATALDO PHYSICIAN	40 0 0 0					X		0	569,311	23,285

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
FRANK RAFIE CHIEF RADIATION PHYSICIAN	40 0 0 0					X		0	270,991	35,337
RICHARD MENDRIBIL DIR PHARMACY SVCS (THRU 02/18)	40 0 0 0					X		0	212,427	1,195
DALE MERRIT REGISTERED NURSE	40 0 0 0					X		0	197,909	32,718
BRENDA MUNNS DIR OF NURSING (THRU 05/18)	40 0 0 0					X		0	196,459	47,865
JOHN DEMPSEY VP NAH/PRES LCMC	0 0 40 0						X	0	322,795	65,655
RICHARD SMITH VP OF DEVELOP/MKTG (THRU 7/16)	0 0 0 0						X	0	339,898	29,148

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.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2017
Open to Public Inspection

Name of the organization
FLAGSTAFF MEDICAL CENTER

Employer identification number
86-0110232

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 12, 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 (Form 990 or 990-EZ))
- 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 agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10

☐

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)
- 11

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12

☐

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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f

Enter the number of supported organizations _____
- g

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)
(Complete only if you checked the box on line 5, 7, 8, or 9 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
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)2013	(b)2014	(c)2015	(d)2016	(e)2017	(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 VI)						
11	Total support. Add lines 7 through 10						
12	Gross receipts from related activities, etc (see instructions)					12	
13	First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage		
14	Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14
15	Public support percentage for 2016 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>	
b	33 1/3% support test—2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>	
17a	10%-facts-and-circumstances test—2017. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ► <input type="checkbox"/>	
b	10%-facts-and-circumstances test—2016. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ► <input type="checkbox"/>	
18	Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>	

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

(Complete only if you checked the box on line 10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

b 33 1/3% support tests—2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>	9a	
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>	9b	
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>	9c	
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>	10a	
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>	10b	

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		
	11a	
	11b	
	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		
	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization (s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
	3	

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	Yes	No
	2a	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
	2b	
3 Parent of Supported Organizations Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
	3a	
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
	3b	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1		
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI)			
2 Acquisition indebtedness applicable to non-exempt use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)			

Part V

Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013.			
c From 2014.			
d From 2015.			
e From 2016.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2017 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2017, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2017 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2018. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2013.			
b Excess from 2014.			
c Excess from 2015.			
d Excess from 2016.			
e Excess from 2017.			

Additional Data

Software ID:

Software Version:

EIN: 86-0110232

Name: FLAGSTAFF MEDICAL CENTER

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10, Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c, Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b, Part V, line 1, Part V, Section B, line 1e, Part V Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions)

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

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

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

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

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

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of the organization FLAGSTAFF MEDICAL CENTER	Employer identification number 86-0110232
--	--

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions) ▶

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

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

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
1				
2				
3				
4				
5				
6				

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

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

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

Limits on Lobbying Expenditures
(The term "expenditures" means amounts paid or incurred.)**(a)** Filing
organization's
totals**(b)** Affiliated
group totals

1a Total lobbying expenditures to influence public opinion (grass roots lobbying)

b Total lobbying expenditures to influence a legislative body (direct lobbying)

c Total lobbying expenditures (add lines 1a and 1b)

d Other exempt purpose expenditures

e Total exempt purpose expenditures (add lines 1c and 1d)

f Lobbying nontaxable amount Enter the amount from the following table in both columns

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000	\$1,000,000

g Grassroots nontaxable amount (enter 25% of line 1f)

h Subtract line 1g from line 1a If zero or less, enter -0-

i Subtract line 1f from line 1c If zero or less, enter -0-

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

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

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 11	LOBBYING ELECTION FLAGSTAFF MEDICAL CENTER PAID DUES TO THE AMERICAN HOSPITAL ASSOCIATION, THE AMERICA'S ESSENTIAL HOSPITALS AND THE ARIZONA HEALTH COLLABORATIVE. A PERCENTAGE OF THIS AMOUNT, \$10,608, WAS ESTIMATED TO BE ATTRIBUTABLE TO LOBBYING RELATED TO HEALTH CARE ADVOCACY AT THE FEDERAL, STATE, REGIONAL AND LOCAL LEVELS. FLAGSTAFF MEDICAL CENTER ALSO PARTICIPATES IN HEALTHCARE-RELATED LOBBYING ACTIVITIES THROUGH THE SOLE COMMUNITY HOSPITAL COALITION.

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493135050469

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
FLAGSTAFF MEDICAL CENTER

Employer identification number
86-0110232

Part I

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

1

Total number at end of year

2

Aggregate value of contributions to (during year)

3

Aggregate value of grants from (during year)

4

Aggregate value at end of year

5

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

☐ Yes ☐ No

6

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

☐ Yes ☐ No

Part II

Conservation Easements. Complete if the organization answered "Yes" on 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 education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

Held at the End of the Year

2a

2b

2c

2d

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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, handling of violations, and enforcing conservation easements during the year ►

7

Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

Part III

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

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenue included on 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 (ASC 958) relating to these items

a

Revenue included on Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

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

Cat No 52283D

Schedule D (Form 990) 2017

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

Part V

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

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

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,901,300		5,901,300
b Buildings		205,005,599	126,614,623	78,390,976
c Leasehold improvements		1,429,003	1,180,515	248,488
d Equipment		167,782,606	128,298,908	39,483,698
e Other		22,355,132		22,355,132
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				146,379,594

Part VII

Investments—Other Securities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11b.
See Form 990, Part X, line 12.

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

Part VIII

Investments—Program Related.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX

Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X

Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f.
See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	0
MINIMUM PENSION LIABILITY	32,021,350
UNEMPLOYMENT PAYABLE	4,388,351
MALPRACTICE INSURANCE RESERVE LT	4,206,957
THIRD-PARTY PAYOR SETTLEMENTS	1,729,919
OTHER-GAAP PRESENTATION	1,268,425
MALPRACTICE INSURANCE RESERVE ST	914,388
OTHER	623,938
PROFESSIONAL AND AUDIT FEES	38,941
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	45,192,269

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 86-0110232
Name: FLAGSTAFF MEDICAL CENTER

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	MINIMUM PENSION LIABILITY	32,021,350
	UNEMPLOYMENT PAYABLE	4,388,351
	MALPRACTICE INSURANCE RESERVE LT	4,206,957
	THIRD-PARTY PAYOR SETTLEMENTS	1,729,919
	OTHER-GAAP PRESENTATION	1,268,425
	MALPRACTICE INSURANCE RESERVE ST	914,388
	OTHER	623,938
	PROFESSIONAL AND AUDIT FEES	38,941

Supplemental Information

Return Reference	Explanation
SCHEDULE D, PART X, LINE 2	FIN 48 (ASC 740) FOOTNOTE THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION AND IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE ACCORDINGLY, NO PROVISION FOR INCOME TAXES IS INCLUDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS THE CORPORATIONS MANAGEMENT IS NOT AWARE OF ANY EVENTS THAT WOULD CAUSE THE CORPORATION TO LOSE ITS TAX-EXEMPT STATUS MANAGEMENT HAS REVIEWED ALL OPEN TAX YEARS AND HAS DETERMINED THAT THE CORPORATION HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS

SCHEDULE H
(Form 990)

Department of the Treasury

Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
► Attach to Form 990.
► Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
FLAGSTAFF MEDICAL CENTER

Employer identification number
86-0110232

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

7 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 Worksheet 1)			8,830,135	0	8,830,135	2 190 %
b Medicaid (from Worksheet 3, column a)			129,423,792	63,721,000	65,702,792	16 290 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d Total Financial Assistance and Means-Tested Government Programs			138,253,927	63,721,000	74,532,927	18 480 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j			138,253,927	63,721,000	74,532,927	18 480 %

Part II Community Building Activities Complete this table if the organization conducted any 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 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

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	Yes		
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2	31,624,000		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3	7,768,000		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.				

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME).	5	117,475,445		
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	97,646,397		
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	19,829,048		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.				
<input type="checkbox"/> Cost accounting system	<input checked="" type="checkbox"/> Cost to charge ratio	<input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

(a) Name of entity (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)	(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**Section A. Hospital Facilities**

(list in order of size from largest to smallest—see instructions)

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

1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Other (describe)	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical	Licensed hospital	Facility reporting group
See Additional Data Table										

Part V Facility Information (continued)**Section B. Facility Policies and Practices**(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)
FLAGSTAFF MEDICAL CENTER**Name of hospital facility or letter of facility reporting group** _____**Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):** _____

1

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	No
6 a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a Yes	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	7 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE SCH H, PART V, SECTION C</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8 Yes	
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10 Yes	
a If "Yes" (list url) <u>SEE SCH H, PART V, SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" on line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**

FLAGSTAFF MEDICAL CENTER

Name of hospital facility or letter of facility reporting group _____

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that			
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %			
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input type="checkbox"/> Asset level			
d <input checked="" type="checkbox"/> Medical indigency			
e <input checked="" type="checkbox"/> Insurance status			
f <input checked="" type="checkbox"/> Underinsurance discount			
g <input checked="" type="checkbox"/> Residency			
h <input type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	15	Yes	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application			
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e <input type="checkbox"/> Other (describe in Section C)			
16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>SEE SCH H, PART V, SECTION C</u>			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>SEE SCH H, PART V, SECTION C</u>			
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>SEE SCH H, PART V, SECTION C</u>			
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i <input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j <input type="checkbox"/> Other (describe in Section C)			

Part V Facility Information (continued)**Billing and Collections**

FLAGSTAFF MEDICAL CENTER

Name of hospital facility or letter of facility reporting group

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17 Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> Other similar actions (describe in Section C) f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19	No
If "Yes," check all actions in which the hospital facility or a third party engaged		
a <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply)		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications d <input checked="" type="checkbox"/> Made presumptive eligibility determinations e <input type="checkbox"/> Other (describe in Section C) f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21 Yes	
If "No," indicate why		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions b <input type="checkbox"/> The hospital facility's policy was not in writing c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

FLAGSTAFF MEDICAL CENTER

Name of hospital facility or letter of facility reporting group _____

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C

	Yes	No
23		No
24		No

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

[illegible]

Part V **Facility Information** *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
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Part VI Supplemental Information

Provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINES 3A AND 3B	EXPLANATION FOR VARIOUS PERCENTAGES USED 200% OF THE FEDERAL POVERTY LEVEL ("FPL")= 100% CHARITY WRITE OFF 201-250% OF FPL = 75% CHARITY WRITE-OFF 251-300% OF FPL = 50% WRITE-OFF 301-350% OF FPL = 25% WRITE-OFF 351-400% OF FPL = 15% WRITE-OFF SCHEDULE H, PART I, LINE 3C CHARITY CARE INCOME LEVELS ARE BASED ON THE FEDERAL POVERTY GUIDE PUBLISHED IN THE FEBRUARY FEDERAL REGISTER ON AN ANNUAL BASIS A TIERED METHOD IS UTILIZED FOR DETERMINING WHETHER A PATIENT IS ELIGIBLE FOR 100%, 75%, 50%, 25%, OR 15% WRITE-OFF OF THE SELF PAY BALANCE SCHEDULE H, PART I, LINE 6A THE INFORMATION FOR THE COMMUNITY BENEFITS REPORT IS GATHERED BY THE COMMUNICATIONS DEPARTMENT, WHICH IS A DEPARTMENT OF NORTHERN ARIZONA HEALTHCARE FLAGSTAFF MEDICAL CENTER AND VERDE VALLEY MEDICAL CENTER ARE IDENTIFIED SEPARATELY ON THESE REPORTS THE COMMUNITY BENEFIT REPORT IS AVAILABLE AT HTTPS //NAHEALTH COM/ABOUT-US/COMMUNITY-HEALTH-NEEDS-ASSESSMENT SCHEDULE H, PART I, LINE 7 FLAGSTAFF MEDICAL CENTER USED A COST-TO-CHARGE RATIO, WHERE APPLICABLE, TO CALCULATE THE MOST ACCURATE COST OF CHARITY CARE AND OTHER COMMUNITY BENEFITS REPORTED IN LINE 7 SCHEDULE H, PART II COMMUNITY BUILDING IS ADVANCED BY FLAGSTAFF MEDICAL CENTER THROUGH ITS SUPPORT OF PHYSICIAN RECRUITMENT AND WORK WITH VARIOUS COMMUNITY ORGANIZATIONS INCLUDING THE AMERICAN CANCER SOCIETY, BIG BROTHERS AND BIG SISTERS, FLAGSTAFF LEADERSHIP PROGRAM, FLAGSTAFF CHAMBER OF COMMERCE AND THE ARIZONA HOSPITAL AND HEALTHCARE ASSOCIATION
SCHEDULE H, PART III, LINE 2	THE COSTING METHODOLOGY USED TO DETERMINE THE BAD DEBT COST COMES FROM THE PERCENTAGE CALCULATED IN SCHEDULE H PART I WORKSHEET 2

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 3	FLAGSTAFF MEDICAL CENTER'S CALCULATION OF FINANCIAL ASSISTANCE COST IS BASED ON ACTUAL FINANCIAL ASSISTANCE WRITE-OFFS BY THE BUSINESS OFFICE MULTIPLIED BY THE COST-TO-CHARGE RATIO ALL OF THE FINANCIAL ASSISTANCE WRITE-OFFS ARE ATTRIBUTABLE TO PATIENTS WHO QUALIFIED UNDER THE FINANCIAL ASSISTANCE POLICY AS A NOT-FOR-PROFIT ENTITY, SERVICES ARE PROVIDED TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AND MAKING THIS AVAILABLE TO THE COMMUNITY QUALIFIES BAD DEBT AS A COMMUNITY BENEFIT
SCHEDULE H, PART III, LINE 4	FOOTNOTE 2 TO THE FINANCIAL STATEMENTS INDICATES NET PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE HAVE BEEN ADJUSTED TO THE ESTIMATED AMOUNTS EXPECTED TO BE RECEIVED THESE ESTIMATED AMOUNTS ARE SUBJECT TO FURTHER ADJUSTMENTS UPON REVIEW BY THIRD-PARTY PAYORS MANAGEMENT ESTIMATES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON THE HISTORICAL COLLECTION EXPERIENCE SUBJECT TO FURTHER ADJUSTMENTS UPON REVIEW BY THIRD-PARTY PAYORS MANAGEMENT ESTIMATES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON THE HISTORICAL COLLECTION EXPERIENCE

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 8	THE SOURCE USED TO DETERMINE THE AMOUNT REPORTED ON LINE 6 IS THE FY2018 MEDICARE COST REPORT FOR THE ORGANIZATION A CONTRACTED COST REPORT PROFESSIONAL PREPARED AN ANALYSIS OF THE AMOUNT BASED ON THE SUBMITTED COST REPORT FOR FLAGSTAFF MEDICAL CENTER PROFESSIONAL PREPARED AN ANALYSIS OF THE AMOUNT BASED ON THE SUBMITTED COST REPORT FOR FLAGSTAFF MEDICAL CENTER
SCHEDULE H, PART III, LINE 9B	ACCORDING TO OUR CHARITY CARE POLICY, THE FINANCIAL COUNSELORS ASSESS THE PATIENT'S ABILITY TO PAY AT TIME OF ADMISSION/REGISTRATION IF THE PATIENT STATES THAT THEY ARE UNABLE TO PAY OUT-OF-POCKET EXPENSES, A DETERMINATION IS MADE WHETHER COVERAGE IS AVAILABLE THROUGH AHCCCS OR OTHER MEDICAID PROGRAMS IF NO OUTSIDE ASSISTANCE IS AVAILABLE, AN APPLICATION IS GIVEN TO THE PATIENT TO BE SUBMITTED FOR CHARITY CARE CONSIDERATION IF THE PATIENT DOESN'T QUALIFY FOR CHARITY CARE ASSISTANCE, INCOME LEVELS ARE ASSESSED TO DETERMINE IF THEY QUALIFY FOR A LONG-TERM PAYMENT PROGRAM IF THE CHARITY APPLICATION IS NOT TURNED IN AND PAYMENT HAS NOT BEEN MADE AFTER NUMEROUS FOLLOW-UP PHONE CALLS, THE PATIENT ACCOUNT GOES TO BAD DEBT

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 2	FLAGSTAFF MEDICAL CENTER ASSESSES COMMUNITY HEALTHCARE NEEDS THROUGH A SURVEY DESIGNED AND ADMINISTERED INTERNALLY THIS SURVEY WAS LAST CONDUCTED IN NOVEMBER 2015 AND WAS A FOLLOW-UP TO OTHER SURVEYS THE HOSPITAL HAS CONDUCTED THE SURVEY INSTRUMENT USED FOR THIS STUDY IS BASED LARGELY ON THE CENTERS FOR DISEASE CONTROL AND PREVENTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM, AS WELL AS VARIOUS OTHER PUBLIC HEALTH SURVEYS AND CUSTOMIZED QUESTIONS ADDRESSING GAPS IN INDICATOR DATA RELATIVE TO HEALTH PROMOTION AND DISEASE PREVENTION OBJECTIVES AND OTHER RECOGNIZED HEALTH ISSUES
SCHEDULE H, PART VI, LINE 3	ACCORDING TO OUR FINANCIAL ASSISTANCE POLICY, FINANCIAL COUNSELORS ASSESS THE PATIENT'S ABILITY TO PAY AT TIME OF ADMISSION/REGISTRATION IF THE PATIENT STATES THAT THEY ARE UNABLE TO PAY OUT-OF-POCKET EXPENSES, A DETERMINATION IS MADE WHETHER COVERAGE IS AVAILABLE THROUGH AHCCCS OR OTHER MEDICAID PROGRAMS IF NO OUTSIDE ASSISTANCE IS AVAILABLE, AN APPLICATION IS GIVEN TO THE PATIENT TO BE SUBMITTED FOR FINANCIAL ASSISTANCE CONSIDERATION IF THE PATIENT DOESN'T QUALIFY FOR FINANCIAL ASSISTANCE, INCOME LEVELS ARE ASSESSED TO DETERMINE IF THEY QUALIFY FOR A LONG-TERM PAYMENT PROGRAM IF THE CHARITY APPLICATION IS NOT TURNED IN AND PAYMENT HAS NOT BEEN MADE AFTER NUMEROUS FOLLOW UP PHONE CALLS, THE PATIENT ACCOUNT GOES TO BAD DEBT FLAGSTAFF MEDICAL CENTER WEBSITE HAS A BILLING CONTACT NUMBER BEFORE PRE-ADMISSION, PATIENTS ARE CONTACTED BY FMC'S CASHIER WHEN PATIENTS ARE CONTACTED, THEY ARE EDUCATED ABOUT THE FINANCIAL ASSISTANCE POLICY FMC FINANCIAL COUNSELORS ASSIGNED TO EACH NURSING UNIT ARE ABLE TO ANSWER OR ASSIST WITH BILLING QUESTIONS AT EACH PATIENT REGISTRATION DESK THERE ARE DISPLAYS AND BROCHURES OF THE BILLING INFORMATION, INCLUDING THE FINANCIAL ASSISTANCE POLICY

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	<p>THE STUDY AREA FOR THE SURVEY EFFORT (REFERRED TO AS THE "NAH SERVICE AREA"FLAGSTAFF OR VERDE VALLEY REGION" IN THIS REPORT) INCLUDES THE FOLLOWING COUNTIES REPRESENTED IN NORTHERN AZ APACHE, GILA, MOJAVE, NAVAJO, COCONINO AND YAVAPAI COCONINO COUNTY (CC) - AS OF 2015, THE TOTAL POPULATION IN COCONINO COUNTY WAS 139,097 THE POPULATION IS EVENLY SPLIT BETWEEN MALES AND FEMALES THE POPULATION WAS FOUND TO BE 54 9% WHITE (NOT HISPANIC OR LATINO), 27 3% AMERICAN INDIAN OR ALASKAN NATIVE, 13 9% HISPANIC OR LATINO, 1 6% BLACK OR AFRICAN AMERICAN, AND 1 8% ASIAN MOHAVE COUNTY (MC) - THE TOTAL POPULATION IN MOHAVE COUNTY WAS 204,737 IN 2015 THE COUNTY IS 49 7% FEMALE AND 50 3% MALE THE MAJORITY OF THE COUNTY IS WHITE (NOT HISPANIC OR LATINO) AT 78%, WHILE THE LARGEST MINORITY GROUP IS HISPANIC OR LATINO AT 15 8% OF THE POPULATION THE POPULATION IS 2 9% AMERICAN INDIAN OR ALASKAN NATIVE, 1 3% BLACK OR AFRICAN AMERICAN, AND 1 2% ASIAN GILA COUNTY (GC) - GILA COUNTY'S POPULATION WAS 53,159 IN 2015 THE POPULATION WAS FOUND TO BE 50 4% FEMALE AND 49 6% MALE THE MAJORITY OF THE COUNTY IS WHITE (NOT HISPANIC OR LATINO) AT 63 2% THE COUNTY IS 18 8% HISPANIC OR LATINO, 16 5% AMERICAN INDIAN OR ALASKAN NATIVE, 9% BLACK OR AFRICAN AMERICAN, AND 8% ASIAN APACHE COUNTY (AC) - AS OF 2015, THE TOTAL POPULATION IN APACHE COUNTY WAS 71,474 APACHE COUNTY HAS SLIGHTLY MORE FEMALES, WITH 50 6% OF THE POPULATION FEMALE AND 49 4% MALE THE MAJORITY OF THE POPULATION IS AMERICAN INDIAN OR ALASKAN NATIVE AT 73 5% THE POPULATION IS 19% WHITE (NOT HISPANIC OR LATINO) AND 6 4% HISPANIC OR LATINO NAVAJO COUNTY (NC) - THE POPULATION OF NAVAJO COUNTY WAS 108,277 IN 2015 THIS COUNTY IS EVENLY SPLIT BETWEEN MALES AND FEMALES THE COUNTY'S POPULATION IS 42 2% WHITE (NOT HISPANIC OR LATINO), 44 9% NATIVE AMERICAN OR ALASKAN NATIVE, 11 1% HISPANIC, 1 3% BLACK AND 7% ASIAN YAVAPAI COUNTY (YC) - IN 2015 THERE WERE 222,255 INDIVIDUALS LIVING IN YAVAPAI COUNTY THE MAJORITY OF THE POPULATION IS WHITE (NOT HISPANIC OR LATINO) AT 80 9% THE POPULATION IS 14 2% HISPANIC OR LATINO, 2 1% AMERICAN INDIAN OR ALASKAN NATIVE, 1% ASIAN, AND 9% BLACK OR AFRICAN AMERICAN YAVAPAI IS EXPERIENCING AN EXTREMELY HIGH GROWTH IN HISPANICS IN THE NEXT 5 YEARS, THE HISPANIC POPULATION IS ESTIMATED TO INCREASE BY 6,424 NEW LIVES AGE DISTRIBUTION CC - IN 2014, PERSONS UNDER THE AGE OF 18 IS 21 8%, NEARING THE STATE AVERAGE OF 24 1% AN ESTIMATED 12 3% OF THE POPULATION IS 65 YEARS OR OLDER, AND THIS IS EXPECTED TO INCREASE SLIGHTLY OVER THE NEXT FIVE YEARS TO 13 5% MC - IT WAS FOUND THAT 18 7% OF MOHAVE COUNTY'S RESIDENTS WERE UNDER THE AGE OF 18, WHILE 26 9% WERE OVER THE AGE OF 65 GC - THE POPULATION OF GILA COUNTY HAD 20 4% OF ITS RESIDENTS AGED 18 OR UNDER AND 26 6% AGED 65 OR OLDER IN 2014 AC - IN APACHE COUNTY, PERSONS UNDER THE AGE OF 18 IS 29 3% AND PERSONS OLDER THAT 65 WAS AT 13 5% IN 2014 NC - IT WAS FOUND THAT 28% OF NAVAJO COUNTY'S POPULATION IS UNDER THE AGE OF 18 AND 15 8% IS OVER THE AGE OF 65 YC - AN ESTIMATED 28 1% OF THE POPULATION IS 65 YEARS OR OLDER, NEARLY DOUBLING THE STATE ESTIMATED AVERAGE PERCENT OF 15 9%, CARE FOR THE AGING WAS IDENTIFIED BY 20% OF THE RESPONDENTS IN A COMMUNITY HEALTH SURVEY AS A CRITICAL ISSUE THE POPULATION WITHIN THE AGE OF 65 AND 74 WILL EXPERIENCE THE MOST GROWTH AT 21 53% PEOPLE BETWEEN THE AGES OF 45 AND 54 PRESENT THE SMALLEST GROWTH AT -12 44% IN THE NEXT FIVE YEARS YAVAPAI, IN TOTAL, HAS A GREATER PERCENT OF GROWTH THAN THE UNITED STATES AVERAGE IN ALL AGE GROUPS EXCEPT BETWEEN THE AGES OF 45 AND 64</p>
SCHEDULE H, PART VI, LINE 5	<p>COMMUNITY HEALTH AND COMMUNITY BUILDING ARE A FOCUS AT FLAGSTAFF MEDICAL CENTER AS EVIDENCED BY THE NUMEROUS ACTIVITIES SPONSORED EACH YEAR THE CANCER CENTER AT FMC HOSTS A SERIES OF FREE OR LOW-COST SCREENINGS DESIGNED TO HELP RESIDENTS IN THE COMMUNITY DETECT ISSUES AS SOON AS POSSIBLE THE SAFE CHILD CENTER IS A CHILD ADVOCACY CENTER THAT SERVES CHILDREN FROM BIRTH THROUGH 18 YEARS OLD AND IS DEDICATED TO REDUCING THE STRESS CHILDREN EXPERIENCE AS VICTIMS OF CRIME FMC'S PALLIATIVE CARE PROGRAM PROVIDES HIGH QUALITY CARE TO PATIENTS WHO HAVE A CHRONIC DISEASE OR LIFE-THREATENING ILLNESS FIT KIDS OF ARIZONA, WHICH WORKS TO REDUCE THE HEALTH CONSEQUENCES OF CHILDHOOD OBESITY BY PROMOTING HEALTHY LIFESTYLES, AND THE DIABETES TOGETHER COMMUNITY COLLABORATION ARE FMC'S PREMIER COMMUNITY HEALTH INITIATIVES THE CARE BEYOND WALLS AND WIRES PROGRAM USES TELEMEDICINE TO MONITOR AND SUPPORT PATIENTS WHO LIVE REMOTELY AND HAVE RECENTLY BEEN DIAGNOSED WITH CONGESTIVE HEART FAILURE COMMUNITY BUILDING IS ADVANCED BY FMC THROUGH ITS SUPPORT OF PHYSICIAN RECRUITMENT AND WORK WITH VARIOUS COMMUNITY ORGANIZATIONS INCLUDING THE AMERICAN CANCER SOCIETY, BIG BROTHERS AND BIG SISTERS, FLAGSTAFF LEADERSHIP PROGRAM, FLAGSTAFF CHAMBER OF COMMERCE AND THE ARIZONA HOSPITAL AND HEALTHCARE ASSOCIATION</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 6	FLAGSTAFF MEDICAL CENTER IS AFFILIATED WITH VERDE VALLEY MEDICAL CENTER THE BOARD MEMBER MEETINGS ARE COMBINED THE COMMUNITY BENEFIT REPORT IS SUMMARIZED TOGETHER AND POSTED ON THE HOSPITAL'S WEBSITE

Schedule H (Form 990) 2017

Additional Data

Software ID:
Software Version:
EIN: 86-0110232
Name: FLAGSTAFF MEDICAL CENTER

Form 990 Schedule H, Part V Section A. Hospital Facilities

Section A. Hospital Facilities (list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? 1		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (Describe)	Facility reporting group
1	FLAGSTAFF MEDICAL CENTER 1200 N BEAVER STREET FLAGSTAFF, AZ 86001 HTTPS://NAHEALTH.COM HO169	X	X					X			

Form 990 Part V Section C Supplemental Information for Part V, Section B.

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 5	AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT ("CHNA"), A FOCUS GROUP WAS HELD IN NOVEMBER 2015 IN COLLABORATION WITH COCONINO AND YAVAPAI COUNTIES AS PART OF THEIR COMMUNITY HEALTH IMPROVEMENT PLANS KEY INFORMANTS IN THE COMMUNITY INCLUDED REPRESENTATIVES FROM PUBLIC HEALTH, PHYSICIANS, OTHER HEALTH PROFESSIONALS, SOCIAL SERVICE PROVIDERS, AND OTHER COMMUNITY LEADERS A LIST OF RECOMMENDED PARTICIPANTS FOR THE FOCUS GROUP WAS PROVIDED BY FLAGSTAFF MEDICAL CENTER POTENTIAL PARTICIPANTS WERE CHOSEN BECAUSE OF THEIR ABILITY TO IDENTIFY PRIMARY CONCERNS OF THE POPULATIONS WITH WHOM THEY WORK, AS WELL AS OF THE COMMUNITY OVERALL PARTICIPANTS INCLUDED REPRESENTATIVES OF PUBLIC HEALTH, AS WELL AS SEVERAL INDIVIDUALS WHO WORK WITH LOW-INCOME, MINORITY OR OTHER MEDICALLY UNDERSERVED POPULATIONS, AND THOSE WHO WORK WITH PERSONS WITH CHRONIC DISEASE CONDITIONS FOCUS GROUP CANDIDATES WERE FIRST CONTACTED BY LETTER TO REQUEST THEIR PARTICIPATION FOLLOW-UP PHONE CALLS WERE THEN MADE TO ASCERTAIN WHETHER THEY WOULD BE ABLE TO ATTEND CONFIRMATION CALLS WERE PLACED THE DAY BEFORE THE GROUPS WERE SCHEDULED TO INSURE A REASONABLE TURNOUT AUDIO FROM THE FOCUS GROUP SESSION WAS RECORDED, FROM WHICH VERBATIM COMMENTS IN THIS REPORT ARE TAKEN THERE ARE NO NAMES CONNECTED WITH THE COMMENTS, AS PARTICIPANTS WERE ASKED TO SPEAK CANDIDLY AND ASSURED OF CONFIDENTIALITY THIS BOX IS CHECKED "NO" BECAUSE THE HOSPITAL SOLICITED ONLY ORAL, AND NOT WRITTEN COMMENTS ON THE 2012 CHNA AND IMPLEMENTATION STRATEGY WHEN DEVELOPING THE 2015 CHNA THIS WAS NOT REQUIRED AT THE TIME THAT CHNA WAS PREPARED, BUT WILL BE IMPLEMENTED IN FUTURE CHNA DEVELOPMENT SCHEDULE H, PART V, SECTION B, LINE 6A THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED IN CONJUNCTION WITH ITS RELATED HOSPITAL FACILITY, VERDE VALLEY MEDICAL CENTER

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINES 7A AND 10	THE 2015 COMMUNITY HEALTH NEEDS ASSESSMENT AND 2016 IMPLEMENTATION STRATEGY ARE AVAILABLE AT THE FOLLOWING WEBSITE HTTPS //NAHEALTH COM/ABOUT-US/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 11	<p>FMC RANKED HEALTH ISSUES IDENTIFIED BY THE CHNA AGAINST THE FOLLOWING ESTABLISHED, UNIFORM CRITERIA MAGNITUDE - THE NUMBER OF PERSONS AFFECTED, IMPACT/SERIOUSNESS - THE DEGREE TO WHICH THE ISSUE AFFECTS OR EXACERBATES QUALITY OF LIFE AND HEALTH-RELATED ISSUES, FEASIBILITY - THE ABILITY TO REASONABLY IMPACT THE ISSUES, GIVEN AVAILABLE RESOURCES, AND CONSEQUENCES OF INACTION - THE RISK OF NOT ADDRESSING THE PROBLEM AT THE EARLIEST OPPORTUNITY ARE AS OF OPPORTUNITY WERE PRIORITIZED AS FOLLOWS ACCESS TO HEALTHCARE SERVICES INJURY & VIOLENCE PREVENTION MENTAL HEALTH & MENTAL DISORDERS MATERNAL, INFANT AND CHILD HEALTH ORAL HEALTH SUBSTANCE ABUSE SEXUALLY TRANSMITTED DISEASES Access to Health Services The organization began "BeWellNow", its telehealth primary and urgent care program The organization started a Transitions Clinic for those patients who are not able to see their primary care provider ("PCP") within 72 hours of discharge or who need same day service from a PCP The organization is working with Transportation group for better ride options for patients The organization is beginning a Community Health Worker program The organization is broadening our Community Paramedicine program Injury and Violence Prevention The organization consistently screens all emergency department ("ED") patients for domestic violence The organizations Community Paramedicine program conducts home assessments that include fall prevention Mental Health and Mental Disorders The organization is hosting a Mental First Aid program and performs depression screening for all related physician clinic patients Respiratory Disease The organization is increasing health insurance premiums for employee and employee dependents who use tobacco products HEALTH PRIORITIES NOT CHOSEN FOR ACTION AND REASON SUBSTANCE ABUSE - FMC CURRENTLY PARTICIPATES IN COMMUNITY COLLABORATIONS TO ADDRESS SUBSTANCE ABUSE THESE COLLABORATIONS ARE LED BY OTHER COMMUNITY ORGANIZATIONS WHO HAVE EXPERTISE AND RESOURCES DIRECTED SPECIFICALLY TOWARD EDUCATION AND PREVENTION EFFORTS FMC WILL CONTINUE TO BE A COMMUNITY PARTNER WITH THESE COLLABORATIONS RUN THROUGH OTHER ORGANIZATIONS ORAL HEALTH - ORAL HEALTH PROGRAMS FOR COMMUNITY MEMBERS ARE OFFERED THROUGH THE FEDERALLY QUALIFIED HEALTH CENTER ("FQHC"), INDIAN HEALTH, AND REGIONAL PROVIDERS FMC SUPPORTS THESE EFFORTS WHEN EMERGENCY OR TRAUMA CARE IS REQUIRED MATERNAL, INFANT AND CHILD HEALTH - FMC PARTICIPATES IN CHILDREN'S HEALTH AND REHABILITATION, INPATIENT OBSTETRICS, NICU, PEDIATRICS AND PICU SERVICES PRENATAL PROGRAMS, NUTRITIONAL SUPPORT AND INSURANCE COVERAGE ARE PROVIDED BY THE FQHC, LOCAL PROVIDERS, AND FEDERAL AND STATE PROGRAMS THESE PROGRAMS LEAD THE MAIN EFFORTS IN PRENATAL CARE, TEEN PREGNANCY PREVENTION, AND HIGH RISK PREGNANCIES SEXUALLY TRANSMITTED DISEASES - THE NORTHERN ARIZONA COUNTY HEALTH DEPARTMENTS ARE REGIONAL LEADS FOR PREVENTING, MONITORING, AND EDUCATING THE PUBLIC ABOUT SEXUALLY TRANSMITTED DISEASES SCHEDULE</p>

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 11	E H, PART V, SECTION B, LINE 13B Eligibility for charitable assistance is based on the income and family size of the patient/guarantor. Income levels are based on the FEDERAL POVERTY LEVELS ("FPL") published by the Federal Register annually. Household members are defined as all dependents and adults residing with the patient. Applicants with household income of 400% of FPL or lower may receive financial assistance based upon a tiered discount.

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINES 16A-C	THE FINANCIAL ASSISTANCE POLICY ("FAP"), PLAIN LANGUAGE SUMMARY AND APPLICATION ARE AVAILABLE AT THE FOLLOWING WEBSITE HTTPS //NAHEALTH COM/PATIENT-RIGHTS-POLICIES/FINANCIAL-ASSISTANCE

Form 990 Part V Section C Supplemental Information for Part V, Section B.

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 16I	DISCLOSURES IN ACCORDANCE WITH REVENUE PROCEDURE 2015-21 FLAGSTAFF MEDICAL CENTER (HOSPITAL) IS COMPLIANT WITH THE SECTION 501(R) STATUTE AND HAS MADE A GOOD-FAITH EFFORT TO BE FULLY COMPLIANT WITH THE REQUIREMENTS OF THE SECTION 501(R) REGULATIONS THE HOSPITAL HAS IDENTIFIED SOME TEMPORARY GAPS IN COMPLIANCE WITH THE REGULATIONS THE HOSPITAL HAS NOT IDENTIFIED ANY PERSONS DIRECTLY AFFECTED BY THE TEMPORARY GAPS IN COMPLIANCE THE HOSPITAL WAS PROVIDING FINANCIAL ASSISTANCE AS PART OF A FORMAL PROGRAM THAT WAS CLEARLY COMMUNICATED TO PATIENTS AND THE GENERAL PUBLIC THE HOSPITAL HAD ENGLISH VERSIONS OF FAP, FAP APPLICATION, ETC POSTED ON ITS WEBSITE, OUTREACH WAS DONE FOR MINORITY COMMUNITIES, AND TRANSLATION SERVICES WERE AVAILABLE IN THE FACILITY THE TEMPORARY GAPS RELATED TO HAVING ITS FAP, FAP APPLICATION AND PLAIN LANGUAGE SUMMARY TRANSLATED INTO THE PRIMARY LANGUAGE(S) SPOKEN BY LEP POPULATIONS AND POSTING THOSE TRANSLATED DOCUMENTS ON ITS WEBSITE THE HOSPITAL HAS CORRECTED THESE GAPS BY TRANSLATING THE FAP, FAP APPLICATION AND PLAIN LANGUAGE SUMMARY INTO THE PRIMARY LANGUAGE(S) SPOKEN BY LEP POPULATIONS AND WILL POST THOSE TRANSLATED DOCUMENTS ON ITS WEBSITE AROUND THE TIME OF FILING THIS RETURN THE HOSPITAL WILL CONTINUE TO MONITOR ITS COMPLIANCE WITH THE SECTION 501(R) REGULATIONS AND PROCEDURES WILL BE PUT IN PLACE TO MAINTAIN COMPLIANCE THROUGH QUARTERLY REVIEWS OF ITS WEBSITE AND REASSESSMENTS OF THE LEP POPULATIONS EVERY THREE YEARS

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
FLAGSTAFF MEDICAL CENTER

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

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Employer identification number
86-0110232

Part I

General Information on Grants and Assistance

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

☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000 Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) Northern Arizona Healthcare Foundation 1200 N Beaver Street Flagstaff, AZ 86001	81-3137336	501(c)(3)	8,577,385				Endowment and Comm Benefit

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

1

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

0

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Return Reference	Explanation
SCHEDULE I, PART IV, PROCEDURES TO MONITOR GRANTS	FLAGSTAFF MEDICAL CENTER FOUNDATION - GRANTS 1) INDIVIDUALS ON THE USER LEVEL ARE RESPONSIBLE FOR SCREENING AND IDENTIFYING THE NEEDS FOR DISTRIBUTION OF GRANT FUNDS 2) DEPARTMENT HEADS AND/OR PROGRAM COORDINATORS MUST VALIDATE AND SIGN ALL REQUESTS FOR PAYMENT OR DISBURSEMENT OF THESE FUNDS 3) WRITTEN REQUESTS ARE REVIEWED BY THE FOUNDATION SPECIALIST FOR OPERATIONS TO VERIFY AVAILABLE FUND BALANCES AND PROPER ACCOUNT NUMBERS 4) THE FOUNDATION SPECIALIST FOR GRANTS THEN INITIALS THE DOCUMENTS AFTER VERIFYING THE CRITERIA FOR DISBURSEMENT 5) THE VICE PRESIDENT OF DEVELOPMENT AUTHORIZES THE DISBURSEMENT OF FUNDS BY SIGNATURE 6) THE FOUNDATION SCANS ALL DOCUMENTS AND SAVES THEM DIGITALLY ON A SECURE SERVER 7) ALL ORIGINAL DOCUMENTS ARE SUBMITTED TO ACCOUNTS PAYABLE FOR FINAL RECORDING AND PAYMENT ORIGINAL DOCUMENTS ARE FILED AND ARCHIVED IN A SECURE LOCATION FOR THE REQUIRED LENGTH OF TIME FMC RELIES ON THE GOVERNANCE PRACTICES OF THE RECIPIENT ORGANIZATION TO USE THE FUNDS FOR THE INTENDED PURPOSE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization
FLAGSTAFF MEDICAL CENTER

Employer identification number

86-0110232

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

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

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

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

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

Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

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

Yes No

1b

2

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

No

Yes

No

No

No

No

No

Yes

No

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

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

See Additional Data Table

[illegible]

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PART I, LINES 1A & 1B	ALL COMPENSATION, BENEFITS AND REIMBURSEMENTS ARE PAID BY NORTHERN ARIZONA HEALTHCARE, THE PARENT ORGANIZATION. GROSS-UP OF TAXES IS DONE ON ALL EMPLOYEE GIFT CERTIFICATES OF \$25 OR MORE. IN PRACTICE, THE BOARD MEMBER AND OFFICER BUSINESS TRAVEL EXPENSES ARE APPROVED BY THE NEXT HIGHEST LEVEL.
SCHEDULE J, PART I, LINE 3	CEO COMPENSATION IS DERIVED BY THE PARENT ORGANIZATION, NORTHERN ARIZONA HEALTHCARE, BY THE FOLLOWING METHODS: COMPENSATION COMMITTEE, WRITTEN CONTRACT, INDEPENDENT CONSULTANT, COMPENSATION SURVEY, AND RECOMMENDATION OF COMPENSATION COMMITTEE TO BOARD FOR APPROVAL. SCHEDULE J, PART I, LINE 7: THE FOLLOWING INDIVIDUALS RECEIVED DISCRETIONARY ONE-TIME BONUSES DURING THE YEAR. THESE PAYMENTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(II): FLORENCE SPYROW \$30,000; JOHN DEMPSEY \$18,121; RICHARD SMITH \$57,200.
SCHEDULE J, PART II	THE FOLLOWING INDIVIDUALS PARTICIPATE IN A DEFINED BENEFIT RETIREMENT PLAN. AS SUCH, ACTUARIAL INCREASES IN THEIR ACCOUNTS ARE REPORTED ON PART II, COLUMN (C) AS DEFERRED COMPENSATION INCREASE DUE TO ACTUARIAL BENEFIT: JOHN DEMPSEY \$3,178. THE FOLLOWING INDIVIDUALS CASHED OUT ACCUMULATED PTO DURING THE YEAR. THESE AMOUNTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(III): JOHN DEMPSEY \$27,506; RICHARD NEFF \$19,262; RICHARD MENDRIBIL \$7,875; FRANK RAFIE \$52,724; RICHARD SMITH \$15,000.
SCHEDULE J, PART II	ADDITIONAL INFORMATION: RICHARD SMITH WAS THE DEVELOPMENT DIRECTOR AT NAH THROUGH 7/2016. AT THAT TIME, HE BECAME THE PRESIDENT/CEO OF THE NEWLY-FORMED NAH FOUNDATION, AN UNRELATED TAX-EXEMPT ENTITY. NAH HAS AN ARRANGEMENT WITH THE FOUNDATION WHEREBY NAH CONTINUES TO PAY HIS SALARY. FMC paid KESTCO \$184,500 during 2017 for Chief Support Services services rendered by Don Stookey. FMC paid B E Smith, Inc. \$22,500 during 2017 for Interim CAO services rendered by John Harrington.

Additional Data

Software ID:
Software Version:
EIN: 86-0110232
Name: FLAGSTAFF MEDICAL CENTER

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1FLORENCE SPYROW NAH PRESIDENT/CEO (AS OF 3/18)	(i)	0	0	0	0	0	0	0
	(ii)	397,762	30,000	2,753	16,100	0	446,615	0
1RICHARD NEFF CHIEF MEDICAL OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	343,947	0	20,196	16,100	24,483	404,726	0
2DON STOOKEY CHIEF SUPPORT SERVICES	(i)	0	0	0	0	0	0	0
	(ii)	184,500	0	0	0	0	184,500	0
3KATY WILKENS CHIEF NURSING OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	224,779	0	500	10,135	0	235,414	0
4ROBERT THAMES NAH PRESIDENT/CEO (THRU 3/18)	(i)	0	0	0	0	0	0	0
	(ii)	561,977	0	9,402	10,800	19,911	602,090	0
5JEFFREY TREASURE NAH CHIEF FIN OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	364,172	0	2,551	16,100	17,431	400,254	0
6RENZO CATALDO PHYSICIAN	(i)	0	0	0	0	0	0	0
	(ii)	566,925	0	2,386	16,100	7,185	592,596	0
7FRANK RAFIE CHIEF RADIATION PHYSICIAN	(i)	0	0	0	0	0	0	0
	(ii)	217,968	0	53,023	13,808	21,529	306,328	0
8RICHARD MENDRIBIL DIR PHARMACY SVCS (THRU 02/18)	(i)	0	0	0	0	0	0	0
	(ii)	202,170	0	10,257	0	1,195	213,622	0
9DALE MERRIT REGISTERED NURSE	(i)	0	0	0	0	0	0	0
	(ii)	195,321	0	2,588	12,385	20,333	230,627	0
10JOHN DEMPSEY VP NAH/PRES LCMC	(i)	0	0	0	0	0	0	0
	(ii)	275,187	18,121	29,487	39,922	25,733	388,450	0
11BRENDA MUNNS DIR OF NURSING (THRU 05/18)	(i)	0	0	0	0	0	0	0
	(ii)	195,342	0	1,117	31,727	16,138	244,324	0
12RICHARD SMITH VP OF DEVELOP/MKTG (THRU 7/16)	(i)	0	0	0	0	0	0	0
	(ii)	255,697	57,200	27,001	10,800	18,348	369,046	0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
FLAGSTAFF MEDICAL CENTER

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 Part VI.
▶ Attach to Form 990.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Employer identification number
86-0110232

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 INDUSTRIAL DEVELOPMENT AUTHORITY OF YAVAPAI COUNTY	86-0276099	985900CX5	10-12-2011	65,094,379	SEE PART IV		X		X		X
B INDUSTRIAL DEVELOPMENT AUTHORITY OF YAVAPAI COUNTY	86-0376099		06-30-2015	54,783,825	SEE PART IV		X		X		X
C INDUSTRIAL DEVELOPMENT AUTHORITY OF YAVAPAI COUNTY	86-0376099		05-29-2017	40,000,000	SEE PART IV		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0			
2	Amount of bonds legally defeased	0		0		0			
3	Total proceeds of issue	65,094,379		54,783,825		40,430,487			
4	Gross proceeds in reserve funds	0		0		0			
5	Capitalized interest from proceeds	0		0		0			
6	Proceeds in refunding escrows	0		0		0			
7	Issuance costs from proceeds	629,060		1,111,308		0			
8	Credit enhancement from proceeds	0		0		0			
9	Working capital expenditures from proceeds	0		0		0			
10	Capital expenditures from proceeds	0		0		3,813,177			
11	Other spent proceeds	64,465,319		53,672,517		0			
12	Other unspent proceeds	0		0		36,617,310			
13	Year of substantial completion	2011		2015					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?					X		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 of bond-financed property?	X		X		X			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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 %		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								
7 Does the bond issue meet the private security or payment test? . . .		X		X		X		
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . .								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X			

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . .		X		X		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X	X			
b Exception to rebate?	X		X			X		
c No rebate due?		X		X		X		
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X	X			
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X				X		
b Name of provider	0		0		0			
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider	0		0		0			
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X			

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F)	<p>BOND A - THE NAME OF THE ISSUE IS HOSPITAL REVENUE REFUNDING BONDS (NORTHERN ARIZONA HEALTHCARE SYSTEM) SERIES 2011 THIS ISSUE REFUNDS THE 1996A AND 1998 SERIES BONDS TOTAL ISSUANCE PRICE WAS \$78,923,520 WHICH WAS ALLOCATED \$65,094,379 TO FLAGSTAFF MEDICAL CENTER (FMC) AND \$13,829,141 TO VERDE VALLEY MEDICAL CENTER BOND B - THE NAME OF THE ISSUE IS HOSPITAL REVENUE REFUNDING BONDS (NORTHERN ARIZONA HEALTHCARE SYSTEM) SERIES 2015A AND 2015B THIS ISSUE REFUNDS THE 2008A AND 2008B BONDS THE TOTAL ISSUANCE PRICE OF SERIES 2015A WAS \$80,395,000 WHICH WAS ALLOCATED \$37,213,977 TO FLAGSTAFF MEDICAL CENTER (FMC), \$9,274,438 TO VERDE VALLEY MEDICAL CENTER, AND \$33,906,585 TO NORTHERN ARIZONA HEALTHCARE OUTPATIENT SURGERY CENTER THE 2015A BONDS WERE ALSO USED, IN PART, TO FINANCE "NEW MONEY" PROJECTS \$33,611,679 WAS USED FOR ACQUISITION OF SUMMIT SURGERY CENTER TOTAL ISSUANCE PRICE OF SERIES 2015B WAS \$45,635,975 WHICH WAS ALLOCATED \$17,569,850 TO FLAGSTAFF MEDICAL CENTER (FMC) AND \$28,066,125 TO VERDE VALLEY MEDICAL CENTER BOND C - THE NAME OF THE ISSUE IS HOSPITAL REVENUE BOND (NORTHERN ARIZONA HEALTHCARE SYSTEM) SERIES 2017A TOTAL ISSUANCE PRICE WAS \$40,000,000 WHICH WAS ALLOCATED TO FLAGSTAFF MEDICAL CENTER (FMC) THE ISSUANCE PRICE DIFFERS FROM TOTAL PROCEEDS DUE TO INVESTMENT EARNINGS</p>

SCHEDULE O (Form 990 or 990-EZ) <small>Department of the Treasury Internal Revenue Service</small>	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .	OMB No 1545-0047
		<div style="font-size: 48pt; font-weight: bold;">2017</div> <div style="background-color: black; color: white; padding: 5px; font-weight: bold;">Open to Public Inspection</div>
Name of the organization FLAGSTAFF MEDICAL CENTER		Employer identification number 86-0110232

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 6	FMC VOLUNTEERS PROVIDE CLERICAL ASSISTANCE IN MULTIPLE DEPARTMENTS AND SUPPORT SERVICES SUCH AS WHEELCHAIR ASSISTANCE AND ESCORTING PATIENTS AND FAMILIES WHO ENTER AT THE MAIN ENTRY THEY VOLUNTEER AT THE INFORMATION DESK AND GIFT SHOP AND MAKE DELIVERIES OF GIFTS, READING MATERIALS AND MAIL TO PATIENT ROOMS THEY PROVIDE LOBBY MUSIC, NAVAJO AND SPANISH INTERPRETATION, SPIRITUAL CARE, AND CARING CANINE AND CARING CLOWN VISITS TO PATIENTS THEY ROCK BABIES IN THE SPECIAL CARE NURSERY, PROVIDE MENDED HEARTS PATIENT AND FAMILY SUPPORT, AND ASSIST AT THE FOUNDATION AND AT SPECIAL EVENTS VOLUNTEERS ASSIST IN OTHER DEPARTMENTS SUCH AS THE CANCER CENTER, BIOMEDICAL ENGINEERING, MAIL ROOM, NUTRITION SERVICES, PHARMACY, WOMEN AND INFANTS' CENTER, PHYSICAL THERAPY, FIT KIDS, BARIATRIC CLINIC, EMERGENCY AND SURGICAL SERVICES, AND THE TAYLOR HOUSE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4A	<p>ONE OF THE NICEST THINGS ABOUT LIVING IN NORTHERN ARIZONA IS YOU DON'T HAVE TO TRAVEL TO GET EXCELLENT HEALTHCARE SINCE 1936, FLAGSTAFF MEDICAL CENTER (FMC), A MEMBER OF NORTHERN ARIZONA HEALTHCARE, HAS PROVIDED HIGH QUALITY HEALTHCARE SERVICES TO RESIDENTS AND VISITORS OF NORTHERN ARIZONA WE ARE DEDICATED TO PATIENT-CENTERED CARE WITH A PERSONAL TOUCH FMC IS LICENSED BY MEDICARE AND THE STATE OF ARIZONA FOUNDED BY DR CHARLES SECHRIST AS FLAGSTAFF HOSPITAL, THE 25-BED HOSPITAL WAS DONATED TO THE COMMUNITY OF FLAGSTAFF IN 1955 TO DAY, FLAGSTAFF MEDICAL CENTER REMAINS A NOT-FOR-PROFIT HOSPITAL, GOVERNED BY A VOLUNTEER BOARD OF DIRECTORS WE TREAT EVERY PATIENT, REGARDLESS OF THEIR ABILITY TO PAY EVERY YEAR, FLAGSTAFF MEDICAL CENTER INVESTS IN ITS COMMUNITY HOSPITAL TO ENSURE WE ARE PROVIDING THE BEST, SAFEST CARE, CLOSE TO HOME WE PROVIDE KEY SERVICES TO NORTHERN ARIZONA RESIDENTS AND VISITORS, INCLUDING A REGIONAL TRAUMA CENTER, OPEN-HEART SURGERY, HIGH-TECH IMAGING, A CANCER CENTER, SURGICAL SERVICES, ORTHOPEDIC SERVICES, WOMEN, INFANTSCHILDREN'S SERVICES, AND MORE FMC CURRENTLY HAS - 264 INPATIENT BEDS - 238 PHYSICIANS ON OUR ACTIVE MEDICAL STAFF - 14,220 ANNUAL INPATIENT HOSPITAL ADMISSIONS - 61,249 INPATIENT DAYS - 94,256 ANNUAL OUTPATIENT HOSPITAL VISITS - 47,830 ANNUAL EMERGENCY DEPARTMENT VISITS - 1,077 BABIES BORN THIS YEAR AT FMC FLAGSTAFF MEDICAL CENTER'S MISSION AND VISION -----</p> <p>----- MISSION - IMPROVING HEALTH, HEALING PEOPLE VISION - ALWAYS BETTER CARE EVERY PERSON, EVERY TIME TOGETHER</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART V, LINE 2A, PART VII, SECTION A, AND PART IX	FLAGSTAFF MEDICAL CENTER DOES NOT HAVE EMPLOYEES, BUT SHARES THE COST OF PERSONNEL, SERVICES, AND EXPENSES WITH NORTHERN ARIZONA HEALTHCARE CORPORATION, A RELATED TAX-EXEMPT ORGANIZATION AND FMC'S SOLE MEMBER

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 1	THE BOARD OF DIRECTORS DELEGATES AUTHORITY TO AN EXECUTIVE COMMITTEE IN AN EMERGENCY SITUATION ONLY THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE INDIVIDUALS THEN SERVING AS THE EXECUTIVE COMMITTEE OF NAH, AUTOMATICALLY AND WITHOUT SEPARATE ELECTION THE EXECUTIVE COMMITTEE SHALL ONLY MEET IF A QUORUM OF THE BOARD IS IMPOSSIBLE AND AN URGENT BOARD VOTE IS REQUIRED IN SUCH CASES IT SHALL EXERCISE THE POWER AND AUTHORITY OF THE BOARD, AND SHALL REPORT ANY ACTIONS TAKEN AT THE FOLLOWING BOARD MEETING FORM 990, PART VI, LINE 6 NORTHERN ARIZONA HEALTHCARE CORPORATION IS THE SOLE CORPORATE MEMBER OF FLAGSTAFF MEDICAL CENTER

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 7A	THE BOARD OF DIRECTORS IS DETERMINED BY THE ORGANIZATIONS MEMBER, NORTHERN ARIZONA HEALTHCARE (NAH) THE DIRECTORS AT ALL TIMES SHALL BE, AUTOMATICALLY AND WITHOUT THE NEED OF A SEPARATE ELECTION, THE INDIVIDUALS SERVING AS DIRECTORS OF NAH

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 7B	NORTHERN ARIZONA HEALTHCARE CORPORATION IS THE SOLE VOTING MEMBER The following actions may be initiated by the Member in its sole and absolute discretion a) Adoption of the consolidated annual budget for the System and any amendments b) The selection and retention of the President and Chief Administrative Officer of this Corporation c) The selection of banking affiliations, accounting firms, legal counsel as well as approval of the engagement of any consultants not specifically provided for in an approved budget d) The selection of the manner and location of investment of any retained earnings e) Authorization of standing or ad hoc committees for controlled subsidiaries within the System THE MEMBER MAY NOT TRANSFER ITS MEMBERSHIP OR ANY RIGHTS ARISING THEREFROM

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 11B	THE FORM 990 IS PREPARED BY AN ACCOUNTING FIRM BASED ON DATA GATHERED BY THE CONTROLLER AND THE ORGANIZATION'S FINANCIAL OPERATIONS GROUP. THE CEO AND/OR CFO REVIEWS THE DRAFT FORM 990 AND PROVIDES ADDITIONAL COMMENTS. THE FINAL DRAFT VERSION OF THE FORM 990 IS PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE MAY 15 DUE DATE. ANY ADDITIONAL COMMENTS SUGGESTED BY THE GOVERNING BODY ARE THEN INCORPORATED INTO THE FINAL VERSION OF THE FORM 990 TO BE FILED WITH THE IRS BY THE FINAL DUE DATE. IF ANY SUGGESTED CHANGES ARE MATERIAL OR SIGNIFICANT, AN ADDITIONAL DRAFT IS DISTRIBUTED TO THE GOVERNING BODY PRIOR TO FILING.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 12C	THE ORGANIZATION REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY (BOARD POLICY 6 1) THIS IS ACCOMPLISHED BY A NUMBER OF MECHANISMS FIRST, THE CONFLICT OF INTEREST QUESTIONNAIRE IS REVIEWED BY THE BOARD DEVELOPMENT COMMITTEE AS PART OF THE QUESTIONNAIRE, SELF-DISCLOSURE IS REQUIRED BY BOARD MEMBERS, OFFICERS, AND VPS IN ADDITION, INDIVIDUAL DISCLOSURE BY BOARD MEMBERS OCCURS AT BOARD MEETINGS WHEN NECESSARY A BOARD MEMBER MUST EXCLUDE HIMSELF OR HERSELF FROM VOTING ON AN ISSUE IN WHICH HE OR SHE MAY HAVE A CONFLICT OF INTEREST THE CONTROLLER REVIEWS POTENTIAL CONFLICTS AND FOLLOWS UP WITH ANY ADDITIONAL QUESTIONS, IF NECESSARY THEN THE SUMMARY OF RESPONSES AND CONFLICTS ARE BROUGHT BEFORE THE BOARD DEVELOPMENT COMMITTEE, WHICH MAKES A DETERMINATION AS TO WHETHER A CONFLICT EXISTS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINES 15A & 15B	THE PROCESS FOR DETERMINING COMPENSATION OF THE ORGANIZATION'S CEO AND OTHER OFFICERS INCLUDES THE PREPARATION OF COMPARABLE DATA BY WILLIS TOWERS WATSON, AN INDEPENDENT CONSULTING FIRM IN ADDITION, THIS INFORMATION IS REVIEWED BY THE EXECUTIVE COMMITTEE OF THE BOARD AND IS DOCUMENTED IN THE BOARD MINUTES THE MOST RECENT REVIEW WAS PERFORMED IN FEBRUARY 2018

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 19	THE ORGANIZATION'S FINANCIAL STATEMENTS ARE AVAILABLE THROUGH THE ARIZONA DEPARTMENT OF HEALTH SERVICES IN ADDITION, THEY ARE AVAILABLE THROUGH THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) AS PART OF THE ORGANIZATION'S CONTINUING DISCLOSURE DOCUMENTS THAT ARE REQUIRED BY ITS PUBLIC DEBT REQUIREMENTS THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS OR ITS CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC, AS THIS IS NOT REQUIRED

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS \$ 8,522,123 - CHANGE IN PENSION LIABILITY (\$ 2,147) - OTHER CHANGES (\$46,638,035) - TRANSFER TO AFFILIATES _____ (\$38,118,059) - TOTAL

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
FLAGSTAFF MEDICAL CENTER

Employer identification number
86-0110232

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)NORTHERN ARIZONA HEALTHCARE PO BOX 1268 FLAGSTAFF, AZ 86001 74-2410946	HEALTHCARE	AZ	501(c)(3)	10	NA		No
(2)VERDE VALLEY MEDICAL CENTER 269 SOUTH CANDY LANE COTTONWOOD, AZ 86326 86-0100882	HEALTHCARE	AZ	501(c)(3)	3	NAH	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	

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	(i) Section 512(b) (13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		No
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		No
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses		No
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)	Yes	
s Other transfer of cash or property from related organization(s)	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) VERDE VALLEY MEDICAL CENTER	q	68,657,998	COST

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

[illegible]

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)