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<p>Form 990</p> <p></p> <p>Department of the Treasury</p> <p>Internal Revenue Service</p>	<p>Return of Organization Exempt From Income Tax</p> <p>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</p> <p>▶ Do not enter social security numbers on this form as it may be made public.</p> <p>▶ Information about Form 990 and its instructions is at www.irs.gov/form990</p>	<p>OMB No 1545-0047</p> <p>2015</p> <p>Open to Public Inspection</p>
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A For the 2015 calendar year, or tax year beginning 07-01-2015 , and ending 06-30-2016			
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Flagstaff Medical Center		D Employer identification number 86-0110232
	% 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		E Telephone number (928) 779-3366
		G Gross receipts \$ 438,519,961	
F Name and address of principal officer ROBERT P THAMES 1200 N BEAVER ST FLAGSTAFF, AZ 86001		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
J Website: ▶ WWW.NAHEALTH.COM		H(c) Group exemption number ▶	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1936	M State of legal domicile AZ

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities WILL PROVIDE PATIENTS WITH EXCEPTIONAL CARE WHILE TRANSFORMING THE HEALTH OF THE COMMUNITIES WE SERVE			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	656
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,120,342
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	-69,799
Revenue			Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	1,264,906	1,307,861
	9	Program service revenue (Part VIII, line 2g)	384,744,452	425,924,675
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,939,996	8,121,818
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,614,467	3,103,447
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	398,563,821	438,457,801
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,224,065	899,200
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	165,131,833	166,996,998
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) <u>751,272</u>		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	188,888,684	202,487,623
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	355,244,582	370,383,821
	19	Revenue less expenses Subtract line 18 from line 12	43,319,239	68,073,980
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	654,539,176	671,843,968
	21	Total liabilities (Part X, line 26)	175,264,002	203,692,160
	22	Net assets or fund balances Subtract line 21 from line 20	479,275,174	468,151,808

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

Sign Here	Signature of officer		2017-05-12	
	JEFFREY TREASURE NAH CFO		Date	
Paid Preparer Use Only	Print/Type preparer's name MICHAEL J PAYNE		Preparer's signature MICHAEL J PAYNE	
	Date		Check <input type="checkbox"/> if self-employed	PTIN P01442310
	Firm's name ▶ ERNST & YOUNG US LLP		Firm's EIN ▶	
	Firm's address ▶ 2 NORTH CENTRAL AVE STE 2300 PHOENIX, AZ 85004		Phone no (602) 322-3000	

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

Flagstaff Medical Center will provide patients with exceptional care while transforming the health of the communities we serve

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 \$ 247,881,848 including grants of \$ 899,200) (Revenue \$ 399,462,384)
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.	
4b	(Code) (Expenses \$ 21,590,000 including grants of \$ 0) (Revenue \$ 18,535,000)
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.	
4c	(Code) (Expenses \$ 6,993,000 including grants of \$ 0) (Revenue \$ 10,064,000)
GUARDIAN MEDICAL TRANSPORT 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.	
4d	Other program services (Describe in Schedule O)
	(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
4e	Total program service expenses 276,464,848

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part 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? If "Yes," complete Schedule C, Part II 	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? If "Yes," complete Schedule C, Part III 	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? If "Yes," complete Schedule D, Part 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? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	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? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	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? If "Yes," complete Schedule D, Part VII 	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? If "Yes," complete Schedule D, Part VIII 	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? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	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)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	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? If "Yes," complete Schedule F, Parts I and IV	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? If "Yes," complete Schedule F, Parts II and IV	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? If "Yes," complete Schedule F, Parts III and IV	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? If "Yes," complete Schedule G, Part 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? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV Checklist of Required Schedules *(continued)*

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	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, 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 Compliance

Check 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.	537	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	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).		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	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.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for 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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
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 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	1a 13		
b Enter the number of voting members included in line 1a, above, who are independent	1b 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	Yes	
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	Yes
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount 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 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.

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

Form **990** (2015)

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								0	3,264,040	484,870

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 ►

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Healthcare Select, DEPT Ia 24465 PASADENA, CA 91185	CONTRACT LABOR	7,862,956
CONIFER HEALTH SOLUTIONS, 1500 S DOUGLASS RD ANAHEIM, CA 92806	BILLING SERVICES	6,672,505
FOREST COUNTRY ANESTHESIA, 77 W FOREST AVE FLAGSTAFF, AZ 86001	ANESTHESIA SERVICES	2,770,892
PHOENIX CARDIAC SURGERY PLLC, 3131 E CLARENDON AVE STE 102 PHOENIX, AZ 85016	SURGERY SERVICES	1,833,326
CRITICAL CARE CONSULTANTS, PO BOX 967 FLAGSTAFF, AZ 86002	MEDICAL SERVICES	1,630,240

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 41

Part VIII

Statement of Revenue

Check 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	311,255					
	d	Related organizations . . .	1d						
	e	Government grants (contributions)	1e	405,393					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	591,213					
	g	Noncash contributions included in lines 1a-1f \$		71,337					
	h	Total. Add lines 1a-1f			1,307,861				
Program Service Revenue	2a	Patient Services	Business Code						
			621110	410,248,929	410,248,929	0	0		
	b	Pharmacy	446110	7,256,069	6,135,727	1,120,342	0		
	c	PHYSICIAN REVENUE	900099	5,681,292	5,681,292	0	0		
	d	CAFETERIA	900099	2,116,957	2,116,957	0	0		
	e	INTERCOMPANY RENTAL INCOME	531120	313,487	313,487	0	0		
	f	All other program service revenue		307,941	307,941		0		
	g	Total. Add lines 2a-2f			425,924,675				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		8,055,747			8,055,747		
	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						0
		c	Gain or (loss)						66,071
		d	Net gain or (loss)						66,071
	8a	Gross income from fundraising events (not including \$ 311,255 of contributions reported on line 1c) See Part IV, line 18 . . .							
		a	107,465						
		b	Less direct expenses b 62,160						
	c	Net income or (loss) from fundraising events . . .			45,305			45,305	
	9a	Gross income from gaming activities See Part IV, line 19 . . .							
		a							
		b	Less direct expenses b						
	c	Net income or (loss) from gaming activities			0				
	10a	Gross sales of inventory, less returns and allowances . .							
		a							
		b	Less cost of goods sold b						
	c	Net income or (loss) from sales of inventory . . .			0				
	Miscellaneous Revenue		Business Code						
	11a	PROGRAM FEES	900099	541,632	541,632	0	0		
	b	NON PATIENT ROOMS	900099	244,730	244,730	0	0		
c	STANDBY FEES	900099	135,071	135,071	0	0			
d	All other revenue		2,136,709	2,136,709	0	0			
e	Total. Add lines 11a-11d			3,058,142					
12	Total revenue. See Instructions			438,457,801	427,862,475	1,120,342	8,167,123		

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	899,200	899,200		
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, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	2,229,665	1,206,959	751,962	270,744
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	130,490,018	112,861,316	17,362,521	266,181
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,943,753	7,735,486	1,190,023	18,244
9	Other employee benefits	5,760,060	4,981,898	766,412	11,750
10	Payroll taxes	19,573,502	16,929,197	2,604,378	39,927
11	Fees for services (non-employees)				
a	Management	1,202,252	1,202,252	0	
b	Legal	421,179	73,320	340,569	7,290
c	Accounting	99,862	4,000	95,862	0
d	Lobbying	63,845	0	63,845	0
e	Professional fundraising services. See Part IV, line 17	0			0
f	Investment management fees	13,841	0	13,841	0
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	20,437,528	18,373,066	2,051,856	12,606
12	Advertising and promotion	377,237	253,414	101,788	22,035
13	Office expenses	98,152,384	91,352,739	6,748,220	51,425
14	Information technology	1,508,939	683,101	795,520	30,318
15	Royalties	0	0	0	0
16	Occupancy	5,736,300	5,201,374	534,926	0
17	Travel	414,490	263,426	143,307	7,757
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	168,205	168,205	0	0
20	Interest	3,678,765	0	3,678,765	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	15,493,840	10,150,705	5,332,082	11,053
23	Insurance	2,372,971	333,758	2,039,213	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 REIMBURSEMENT TO NAH	44,668,276	-648,982	45,317,258	0
b	CBO SERVICES	4,229,619	2,292,902	1,936,717	0
c	RECRUITING	1,318,405	25,043	1,293,362	0
d	CONSULTING	677,451	673,701	3,750	0
e	All other expenses	1,452,234	1,384,923	65,369	1,942
25	Total functional expenses. Add lines 1 through 24e	370,383,821	276,464,848	93,167,701	751,272
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 Sheet

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

				(A)		(B)	
				Beginning of year		End of year	
Assets	1	Cash—non-interest-bearing		67,175,828	1	15,892,166	
	2	Savings and temporary cash investments		50,081	2	17,655,518	
	3	Pledges and grants receivable, net		0	3	0	
	4	Accounts receivable, net		63,462,123	4	77,998,073	
	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		24,557,328	7	5,400,108	
	8	Inventories for sale or use		7,972,921	8	7,923,713	
	9	Prepaid expenses and deferred charges		2,028,404	9	3,035,037	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	365,689,413			
	b	Less: accumulated depreciation	10b	227,403,111	138,613,687	10c	138,286,302
	11	Investments—publicly traded securities		350,474,784	11	386,201,133	
	12	Investments—other securities. See Part IV, line 11		2,226,461	12	2,348,183	
	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		-2,022,441	15	17,103,735	
16	Total assets. Add lines 1 through 15 (must equal line 34)		654,539,176	16	671,843,968		
Liabilities	17	Accounts payable and accrued expenses		29,892,422	17	32,226,790	
	18	Grants payable		0	18	0	
	19	Deferred revenue		0	19	0	
	20	Tax-exempt bond liabilities		109,333,026	20	104,913,910	
	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		240,805	23	239,296	
	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		35,797,749	25	66,312,164	
	26	Total liabilities. Add lines 17 through 25		175,264,002	26	203,692,160	
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		479,275,174	27	468,090,153	
	28	Temporarily restricted net assets		0	28	61,655	
	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		479,275,174	33	468,151,808	
	34	Total liabilities and net assets/fund balances		654,539,176	34	671,843,968	

Part XI **Reconciliation of Net Assets**

Check 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	438,457,801
2	Total expenses (must equal Part IX, column (A), line 25)	2	370,383,821
3	Revenue less expenses Subtract line 2 from line 1	3	68,073,980
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	479,275,174
5	Net unrealized gains (losses) on investments	5	-12,252,088
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	-66,945,258
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	468,151,808

Part XII **Financial Statements and Reporting**

Check 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, 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			
ANDREW ALDRIDGE MD DIRECTOR	1 0	X						0	0	0
WILLIAM AUSTIN MD DIRECTOR (THRU 9/15)	1 0 1 0	X						0	56,283	0
ALICE GAGNAIRE RN DIRECTOR	1 0 4 0	X						0	0	0
VALERIE CARO DIRECTOR/TREASURER (THRU 9/15)	1 0 0 0	X		X				0	0	0
RICHARD CRANMER DIRECTOR	1 0 3 0	X						0	0	0
JAMES DORMAN DIRECTOR/PAST CHAIR	1 0 1 0	X		X				0	0	0
WAYNE FOX CPA DIRECTOR/CHAIR	1 0 1 0	X		X				0	0	0
WILLIAM JEFFERS DIRECTOR/VICE CHAIR	1 0 4 0	X		X				0	0	0
RICHARD KRUSE DIRECTOR (AS OF 10/15)	1 0 3 0	X						0	0	0
THEODORE LEWIS JR MD DIRECTOR (THRU 9/15)	1 0 0 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			
CHARLES MARR DIRECTOR (AS OF 10/15)	1 0 6 0	X						0	0	0
CYNTHIA MARTIN MD DIRECTOR (THRU 9/15)	1 0 0 0	X						0	12,090	0
JOHN MARVEL DIRECTOR (THRU 9/15)	1 0 0 0	X						0	0	0
SHAWN ORME DIRECTOR (AS OF 10/15)	1 0 5 0	X						0	0	0
KENNETH SALCE MD DIRECTOR	1 0 1 0	X						0	0	0
RAY SELNA DIRECTOR (AS OF 10/15)	1 0 2 0	X						0	0	0
ROBERT THAMES NAH PRESIDENT/CEO	0 0 40 0	X		X				0	444,857	29,885
GUADALUPE WOODSON FNP DIRECTOR/SECRETARY	1 0 1 0	X		X				0	0	0
RICHARD LANGOSCH INTERIM CEO (THRU 10/15)	40 0 0 0			X				0	0	0
JEFFREY TREASURE CFO (AS OF 12/15)	0 0 40 0			X				0	31,923	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			
HOPE WADE CFO (THRU 12/15)	0 0 40 0			X				0	180,007	6,142
MARK CARROLL CHIEF MEDICAL OFFICER	40 0 0 0				X			0	369,382	42,815
LINDA PARKER INTERIM CNO/VP PATIENT CARE	40 0 0 0				X			0	247,686	16,285
RICHARD SMITH VP OF DEVELOPMENT/MARKETING	40 0 0 0				X			0	270,744	34,048
RICHARD NEFF DIRECTOR PHYSICIAN RELATIONS	40 0 0 0					X		0	365,500	44,095
MARK FOSTER PHYSICIAN	40 0 0 0					X		0	219,424	30,395
RICHARD MENDRIBIL HEALTH SYSTEMS DIR OF PHARMACY	40 0 0 0					X		0	210,407	20,172
DALE MERRITT REGISTERED NURSE	40 0 0 0					X		0	207,819	30,156
BRENDA MUNNS DIRECTOR SURGICAL SERVICES	40 0 0 0					X		0	203,808	49,522
JOHN DEMPSEY FORMER VP NAH/PRES LCMC	40 0 0 0						X	0	444,110	181,355

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2015

Open to Public Inspection

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.

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 11, check only one box)
- 1

☐

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

☐

A school described in **section 170(b)(1)(A)(ii).**(Attach Schedule E (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 organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See**section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g
- 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- 9 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) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any unusual grants)						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 2015 (line 6, column (f) divided by line 11, column (f))					14	
15 Public support percentage for 2014 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2015.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—2014.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—2015.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—2014.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 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2015. 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—2014. 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 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d 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? 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.	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)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	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)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? 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.	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)? 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.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? 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).	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 (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	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))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)	10b	
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?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .	11c	

Part IV

Supporting Organizations (continued)

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>		
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>		

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>		

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, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
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>		
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>		

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>		
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>		
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>		
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>		

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 **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	Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) <input type="checkbox"/>		

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 2015 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-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013.			
e From 2014.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013.			
d From 2014.			
e From 2015.			

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

Return Reference

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2015
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	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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-
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														
<table><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

☐ 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) 2012	(b) 2013	(c) 2014	(d) 2015	(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

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?

b

Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?

c

Media advertisements?

d

Mailings to members, legislators, or the public?

e

Publications, or published or broadcast statements?

f

Grants to other organizations for lobbying purposes?

g

Direct contact with legislators, their staffs, government officials, or a legislative body?

h

Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?

i

Other activities?

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)?

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?

(a)

Yes

(b)

No

Amount

No

No

No

0

No

0

No

0

No

0

No

0

No

0

Yes

63,845

No

63,845

Part III-A

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

1

Were substantially all (90% or more) dues received nondeductible by members?

2

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

3

Did the organization agree to carry over lobbying and political expenditures from the prior year?

Yes

No

1

2

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

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).

a

Current year

b

Carryover from last year

c

Total

3

Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues

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

Taxable amount of lobbying and political expenditures (see instructions)

1

2a

2b

2c

3

4

5

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 ARIZONA HOSPITAL AND HEALTHCARE ASSOCIATION. A PERCENTAGE OF THIS AMOUNT, \$63,845, 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.

Schedule C (Form 990 or 990EZ) 2015

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

2015

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.

	(a) Donor advised funds	(b) Funds and other accounts
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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)
☐ Protection of natural habitat
☐ Preservation of open space

☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

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
► \$

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" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	5,355,284	4,955,576	3,818,218	2,836,339	2,426,552
b Contributions	2,046,265	2,231,957	2,491,393	2,188,719	1,102,892
c Net investment earnings, gains, and losses	132,851	78,473	210,156	133,179	18,115
d Grants or scholarships	17,407	26,231	16,596	412,045	388,081
e Other expenditures for facilities and programs	1,700,082	1,811,945	1,475,958	862,349	299,259
f Administrative expenses	74,363	72,546	71,637	65,625	23,880
g End of year balance	5,742,548	5,355,284	4,955,576	3,818,218	2,836,339

2

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

a

Board designated or quasi-endowment ▶ 100 000 %

b

Permanent endowment ▶ 0 %

c

Temporarily restricted endowment ▶ 0 %

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

Yes

No

3a(i)

No

3a(ii)

No

b

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

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" to 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)	Accumulated (c)depreciation	(d)Book value
1a Land		5,901,300		5,901,300
b Buildings		191,728,621	112,000,876	79,727,745
c Leasehold improvements		1,042,857	945,610	97,247
d Equipment		150,857,879	114,456,625	36,401,254
e Other		16,158,756	0	16,158,756
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				138,286,302

Schedule D (Form 990) 2015

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
SCHEDULE D, PART V, LINE 4	MOST OF THE CURRENT ENDOWMENTS ARE BOARD DESIGNATED FMC FOUNDATION'S QUASI ENDOWMENTS ARE SPENT ACCORDING TO THE FOLLOWING CRITERIA 1) ADDRESS COMMUNITY HEALTH CARE NEEDS, 2) ADHERE TO THE CORE MISSION OF THE HOSPITAL, AND/OR 3) REFLECT PROJECTS THAT ARE DEEMED IN THE BEST INTEREST OF THE HOSPITAL

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	54,095,989
	MALPRACTICE INSURANCE RESERVE LT	6,969,931
	PATIENT CREDIT BALANCES	2,935,990
	BCBS IBNR	1,124,109
	MALPRACTICE INSURANCE RESERVE ST	861,554
	BIO-MED RESERVE	202,120
	WORKER'S COMP LIABILITY	107,226
	UNEMPLOYMENT	15,245

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a

Attach to Form 990 or Form 990-EZ

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Flagstaff Medical Center

Employer identification number
86-0110232

Part I Fundraising Activities

Complete if the organization answered "Yes" on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☐ Mail solicitations

e ☐ Solicitation of non-government grants

b ☐ Internet and email solicitations

f ☐ Solicitation of government grants

c ☐ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue		(a)Event #1 turquoise ball (event type)	(b)Event #2 Golf Tournamnt (event type)	(c)Other events 3 (total number)	(d) Total events (add col (a) through col (c))
Direct Expenses	1 Gross receipts	224,647	44,306	141,733	410,686
	2 Less Contributions	152,427	29,298	129,530	311,255
	3 Gross income (line 1 minus line 2)	72,220	15,008	12,203	99,431
	4 Cash prizes				
	5 Noncash prizes		4,501	6,484	10,985
	6 Rent/facility costs				
	7 Food and beverages	24,019	5,818	3,378	33,215
	8 Entertainment	3,000	7,360	7,600	17,960
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				62,160
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				37,271

Part III Gaming.

Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a)Bingo	(b)Pull tabs/Instant bingo/progressive bingo	(c)Other gaming	(d) Total gaming (add col (a) through col (c))
Direct Expenses	1 Gross revenue				
	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization conducts gaming activities _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

11

Does the organization conduct gaming activities with nonmembers?

☐ **Yes** ☐ **No**

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ **Yes** ☐ **No**

13

Indicate the percentage of gaming activity conducted in

a	The organization's facility	13a	%
b	An outside facility	13b	%

14

Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ **Yes** ☐ **No**

b

If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c

If "Yes," enter name and address of the third party

Name ▶

Address ▶

16

Gaming manager information

Name ▶

Gaming manager compensation ▶ \$ _____

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ **Yes** ☐ **No**

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV

Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
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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

2015

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <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 _____ %	3b	Yes	
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)			485,117		485,117	0 130 %
b Medicaid (from Worksheet 3, column a)			104,882,827	50,815,000	54,067,827	14 600 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0		0	0 %
d Total Financial Assistance and Means-Tested Government Programs			105,367,944	50,815,000	54,552,944	14 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,297,968	114,981	1,182,987	0 320 %
f Health professions education (from Worksheet 5)			390,752	0	390,752	0 110 %
g Subsidized health services (from Worksheet 6)			1,096,900	1,438,171	-341,271	
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,010,534	0	2,010,534	0 540 %
j Total. Other Benefits			4,796,154	1,553,152	3,243,002	0 880 %
k Total. Add lines 7d and 7j			110,164,098	52,368,152	57,795,946	15 600 %

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			0	0	0	0 %
2	Economic development	2	60	1,614	0	1,614	0 %
3	Community support	197	3,981	179,536	0	179,536	0 050 %
4	Environmental improvements			0	0	0	0 %
5	Leadership development and training for community members	1	15	410	0	410	0 %
6	Coalition building	128	42,845	35,367	0	35,367	0 010 %
7	Community health improvement advocacy	3	60	6,691	0	6,691	0 %
8	Workforce development	1		55,677	0	55,677	0 020 %
9	Other			0	0	0	0 %
10	Total	332	46,961	279,295	0	279,295	0 080 %

Section A. Bad Debt Expense

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	36,911,000	
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	1,436,000	
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	113,649,115	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	92,551,346	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	21,097,769	
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	

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Section A. Hospital Facilities

1

See Additional Data Table

[illegible]

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

	Yes	No
Community Health Needs Assessment		
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	3	Yes
If "Yes," indicate what the CHNA report describes (check all that apply)		
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"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
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
6a 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?	7	Yes
If "Yes," indicate how the CHNA report was made widely available (check all that apply)		
a <input checked="" type="checkbox"/> Hospital facility's website (list url) SEE SCH H, PART V, SECTION C		
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) SEE SCH H, PART V, SECTION C		
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	
13	Did the hospital facility have in place during the tax year a written financial assistance policy that 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 <div><div>a</div><div><input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 400 %</div><div><div>b</div><div><input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</div><div><div>c</div><div><input type="checkbox"/> Asset level</div><div><div>d</div><div><input checked="" type="checkbox"/> Medical indigency</div><div><div>e</div><div><input checked="" type="checkbox"/> Insurance status</div><div><div>f</div><div><input checked="" type="checkbox"/> Underinsurance discount</div><div><div>g</div><div><input checked="" type="checkbox"/> Residency</div><div><div>h</div><div><input checked="" type="checkbox"/> Other (describe in Section C)</div></div></div></div></div></div><td>13</td><td>Yes</td><td></td></div></div></div>	13	Yes	
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) <div><div>a</div><div><input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</div><div><div>b</div><div><input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</div><div><div>c</div><div><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</div><div><div>d</div><div><input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</div><div><div>e</div><div><input type="checkbox"/> Other (describe in Section C)</div></div></div></div></div><td>15</td><td>Yes</td><td></td></div>	15	Yes	
16	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) <div><div>a</div><div><input checked="" type="checkbox"/> The FAP was widely available on a website (list url) SEE SCH H, PART V, SECTION C</div><div><div>b</div><div><input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) SEE SCH H, PART V, SECTION C</div><div><div>c</div><div><input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) SEE SCH H, PART V, SECTION C</div><div><div>d</div><div><input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</div><div><div>e</div><div><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)</div><div><div>f</div><div><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)</div><div><div>g</div><div><input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</div><div><div>h</div><div><input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</div><div><div>i</div><div><input type="checkbox"/> Other (describe in Section C)</div></div></div></div></div><td>16</td><td>Yes</td><td></td></div></div></div></div></div>	16	Yes	

Billing and Collections

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 non-payment?	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 <div><div>a</div><div><input type="checkbox"/> Reporting to credit agency(ies)</div><div><div>b</div><div><input type="checkbox"/> Selling an individual's debt to another party</div><div><div>c</div><div><input type="checkbox"/> Actions that require a legal or judicial process</div><div><div>d</div><div><input type="checkbox"/> Other similar actions (describe in Section C)</div><div><div>e</div><div><input checked="" type="checkbox"/> None of these actions or other similar actions were permitted</div></div></div></div></div><td></td><td></td><td></td></div>			

Part V

Facility Information (continued)

FLAGSTAFF MEDICAL CENTER

Name of hospital facility or letter of facility reporting group			Yes	No
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? If "Yes," check all actions in which the hospital facility or a third party engaged	19		No
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"/> Actions that require a legal or judicial process			
d	<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"/> Notified individuals of the financial assistance policy on admission			
b	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge			
c	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills			
d	<input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy			
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? If "No," indicate why	21	Yes	
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)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	<input checked="" type="checkbox"/> Other (describe in Section C)			
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	23		No
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	24		No

Part V **Facility Information** *(continued)*

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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 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.

Form and Line Reference	Explanation

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	
3	
4	
5	
6	
7	
8	
9	
10	

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

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 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

Form and Line Reference	Explanation
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

Form and Line Reference	Explanation
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

Form and Line Reference	Explanation
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

Form and Line Reference	Explanation
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

Form and Line Reference	Explanation
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

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

Form and Line Reference	Explanation
<p>SCHEDULE H, PART III, LINE 4</p>	<p>FOOTNOTE 2 TO THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS INDICATES THAT NET PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE HAVE BEEN ADJUSTED TO THE ESTIMATED AMOUNTS EXPECTED TO BE RECEIVED BASED ON CONTRACT RATES FOR THE SERVICES RENDERED. THESE ESTIMATED AMOUNTS ARE SUBJECT TO FURTHER ADJUSTMENTS UPON REVIEW BY THIRD-PARTY PAYORS. FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR CHARITY CARE, THE CORPORATION RECOGNIZES REVENUE ON THE BASIS OF ITS STANDARD OR DISCOUNTED RATES. HISTORICALLY, A SIGNIFICANT PORTION OF THE UNINSURED PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR THE SERVICES PROVIDED. ACCORDINGLY, THE CORPORATION RECORDS AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR DOUBTFUL ACCOUNTS, RELATED TO UNINSURED PATIENTS, IN THE PERIOD THE SERVICES WERE PROVIDED USING AN ENTITY WIDE ASSESSMENT BASED ON HISTORICAL COLLECTION EXPERIENCES. MANAGEMENT REGULARLY REVIEWS PAYMENT DATA FOR EACH MAJOR PAYOR IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. DURING 2016, THE CORPORATION EXPERIENCED A SLIGHT DECREASE IN SELF-PAY REVENUE AS A RESULT OF THE ARIZONA MEDICAID RESTORATION PROGRAM AND THE ESTABLISHMENT OF THE STATE INSURANCE EXCHANGE UNDER THE AFFORDABLE CARE ACT. THIS ALSO RESULTED IN A SLIGHT DECREASE IN THE PROVISION FOR DOUBTFUL ACCOUNTS.</p>

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 8	THE SOURCE USED TO DETERMINE THE AMOUNT REPORTED ON LINE 6 IS THE FY2016 MEDICARE COST REPORT FOR THE ORGANIZATION. MEDICARE REPRESENTS 37% OF THE ORGANIZATIONS GROSS CHARGES. FOR FY2016 MEDICARE IS A SURPLUS PRIMARILY BECAUSE THE ORGANIZATION RECEIVES HIGHER MEDICARE REIMBURSEMENTS AS A SOLE COMMUNITY HOSPITAL, AS DEFINED AND DESIGNATED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES. IN YEARS WHEN THERE IS A SHORTFALL, THE ENTIRE MEDICARE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT BECAUSE THE ORGANIZATIONS MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE, WHETHER OR NOT THIS SERVICE IS PROVIDED AT A LOSS, THEREBY RELIEVING THE FEDERAL GOVERNMENT OF THE BURDEN OF PAYING THE FULL COST OF THE MEDICARE BENEFICIARIES, MANY OF WHOM WOULD QUALIFY FOR FINANCIAL ASSISTANCE.

Form and Line Reference	Explanation
<p>SCHEDULE H, PART III, LINE 9B</p>	<p>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 FINANCIAL ASSISTANCE APPLICATION IS NOT TURNED IN AND PAYMENT HAS NOT BEEN MADE AFTER NUMEROUS FOLLOW UP PHONE CALLS, THE PATIENT ACCOUNT GOES TO BAD DEBT BEFORE PRE-ADMISSION AND IF A PATIENT IS INELIGIBLE FOR FINANCIAL ASSISTANCE, FLAGSTAFF MEDICAL CENTER CALCULATES AN AMOUNT GENERALLY BILLED (AGB) ON A PERIODIC BASIS PER SECTION 501R OF THE TREASURY REGULATIONS THE CURRENT RATE IS 68% OF GROSS CHARGES FLAGSTAFF MEDICAL CENTER CURRENTLY OFFERS A 50% DISCOUNT TO THESE PATIENTS, WHICH IS WELL BELOW THE AGB CALCULATION</p>

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

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	<p>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</p>

Form and Line Reference	Explanation
<p>SCHEDULE H, PART VI, LINE 4</p>	<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 COUNTYS 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 COUNTYS 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 COUNTYS 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 COUNTYS 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>

Form and Line Reference	Explanation
<p>SCHEDULE H, PART VI, LINE 5</p>	<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>

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) 2015

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

Name, address, primary website address, and state license number

	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			

2015

**Open to Public
Inspection**

86-0110232

☒ Yes ☐ No

(h) Purpose of grant or assistance

Schedule I (Form 990) 2015

Part IIIGrants 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 non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IVSupplemental 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

Additional Data

Software ID:
Software Version:
EIN: 86-0110232
Name: Flagstaff Medical Center

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ARIZONA COMMUNITY FOUNDATION 2201 E CAMELBACK RD PHOENIX, AZ 85016	86-0348306	501(C)(3)	8,000				
ARIZONA SNOWBOWL RESORT PO BOX 40 STE 4058 FLAGSTAFF, AZ 86002	86-0718649		15,000				NATE AVERY RUN
BOYS AND GIRLS CLUB OF FLAGSTAFF 301 S PASEO DEL FLAG STE 1010 FLAGSTAFF, AZ 86001	86-0688398	501(C)(3)	6,000	0			ADAPTIVE SKI PROGRAM

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
COCONINO COMMUNITY COLLEGE 2800 S LONETREE RD FLAGSTAFF, AZ 86001	86-0717956	SCHOOL	105,000	0			FLAGSTAFF COMMUNITY FOUNDATION
Coconino Econ Sustainable Dev Initiative PO BOX 22110 FLAGSTAFF, AZ 86002	26-1077054	501(C)(3)	10,000	0			MEETINGS, SPONSOR, NURSING
ECONOMIC COLLABORATIVE OF NORTHERN AZ 201 E BIRCH AVE STE 12 FLAGSTAFF, AZ 86001	86-0699786	501(C)(3)	10,000	0			TEACHER AWARDS

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FLAGSTAFF FAMILY FOOD CENTER 1903 N 2ND ST FLAGSTAFF,AZ 86004	86-0754044	501(C)(3)	10,000	0			FIRST ROBOTICS CONFERENCE
FLAGSTAFF SYMPHONY ORCHESTRA PO BOX 122 FLAGSTAFF,AZ 86002	86-0186038	501(C)(3)	6,000	0			ATHENA AWARDS ANNUAL MEETING
FLAGSTAFF UNIFIED SCHOOL DISTRICT 3285 E SPARROW FLAGSTAFF,AZ 86004	86-0593041	SCHOOL	384,821	0			FCF

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
JLB PROJECT PO BOX 537 FLAGSTAFF,AZ 86002	27-3224466	501(C)(3)	5,500	0			SPONSOR, FSO CONCERT
MOUNTAIN CHARTER SCHOOLS 311 W CATTLE DRIVE FLAGSTAFF,AZ 86005	95-3564584	SCHOOL	19,840	0			SPONSOR
NORTH COUNTRY HEALTHCARE PO BOX 3630 STE 506 FLAGSTAFF,AZ 86003	86-0663432	501(C)(3)	20,900	0			TICKETS, CONFERENCES, NURSING

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHERN ARIZONA UNIVERSITY PO BOX 122 FLAGSTAFF, AZ 86002	86-6004791	SCHOOL	90,860	0			NACASA
NORTHLAND HOSPICE & PALLIATIVE CARE PO BOX 997 FLAGSTAFF, AZ 86002	74-2385187	501(C)(3)	10,000	0			FCF
POORE MEDICAL CLINIC 120 W FINE AVE FLAGSTAFF, AZ 86001	80-0751712	501(C)(3)	8,500	0			FCF

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
RONALD MCDONALD HOUSE CHARITIES 501 E ROANOK AVE PHOENIX,AZ 85004	86-0483792	501(C)(3)	6,000	0			FCF
SAN FRANCISCO DE ASIS PARISH 320 W HUMPHREYS ST STE D-1 FLAGSTAFF,AZ 86001	30-0515246	SCHOOL	7,105	0			SPONSOR
SEDONA INTERNATIONAL FILM FESTIVAL PO BOX 162 STE 4 SEDONA,AZ 86339	20-0351857	501(C)(3)	7,000	0			FCF

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ST MARY'S FOOD BANK ALLIANCE 1801 W State Route 66 FLAGSTAFF,AZ 86001	23-7353532	501(C)(3)	10,000	0			DONATION, SPONSOR
UNITED WAY OF NORTHERN AZ 1515 E Cedar Ave FLAGSTAFF,AZ 86004	86-0211666	501(C)(3)	35,425	0			Fit Kids School Program
WILLIAMS UNIFIED SCHOOL DISTRICT PO BOX 427 WILLIAMS,AZ 86046	86-0592836	SCHOOL	106,191	0			Fit Kids School Program

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" 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.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Flagstaff Medical Center

Employer identification number
86-0110232

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax indemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
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?	2	
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. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>		
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: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a 4b 4c	No Yes No
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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," on line 5a or 5b, describe in Part III	5a 5b	No No
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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," on line 6a or 6b, describe in Part III	6a 6b	No No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8 Were any amounts reported 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	8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

For each individual whose compensation must be reported 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.

(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				
See Additional Data Table							

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, LINE 1A & 1B	SUPPLEMENTAL COMPENSATION INFORMATION 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 4B CERTAIN EMPLOYEES RECEIVED DISTRIBUTIONS FROM THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN DURING 2015 AS FOLLOWS: JOHN DEMPSEY \$32,101. THIS AMOUNT WAS INCLUDED IN TAXABLE WAGES AND IS REPORTED IN SCHEDULE J, PART II, COLUMN B(III) AND ALSO IN COLUMN F SINCE THIS AMOUNT HAS PREVIOUSLY BEEN REPORTED AS DEFERRED COMPENSATION ON A PRIOR FORM 990.
SCHEDULE J, PART I, LINE 7	NORTHERN ARIZONA HEALTHCARE CORPORATION MAKES DISCRETIONARY PAYMENTS AS PART OF A SHORT-TERM INCENTIVE PLAN (STIP). PAYMENTS ARE BASED ON MEETING VARIOUS ORGANIZATION GOALS.
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 \$111,008. THE FOLLOWING INDIVIDUALS RECEIVED ONE-TIME SIGN-ON BONUSES. THESE PAYMENTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(ii): ROBERT P. THAMES \$52,500; JEFFREY TREASURE \$25,000. THE FOLLOWING INDIVIDUAL RECEIVED A ONE-TIME PAYMENT FOR RELOCATION. THESE PAYMENTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(iii): ROBERT P. THAMES \$13,074.

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				
1ROBERT THAMES NAH PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
	(ii)	302,952	127,500	14,405	9,696	20,189	474,742	0
1HOPE WADE CFO (THRU 12/15)	(i)	0	0	0	0	0	0	0
	(ii)	167,550	12,261	196	5,142	1,000	186,149	0
2MARK CARROLL CHIEF MEDICAL OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	323,105	44,829	1,448	15,900	26,915	412,197	0
3LINDA PARKER INTERIM CNO/VP PATIENT CARE	(i)	0	0	0	0	0	0	0
	(ii)	210,964	35,015	1,707	14,845	1,440	263,971	0
4RICHARD SMITH VP OF DEVELOPMENT/MARKETING	(i)	0	0	0	0	0	0	0
	(ii)	226,783	40,485	3,476	15,900	18,148	304,792	0
5RICHARD NEFF DIRECTOR PHYSICIAN RELATIONS	(i)	0	0	0	0	0	0	0
	(ii)	363,531	0	1,969	15,900	28,195	409,595	0
6MARK FOSTERPHYSICIAN	(i)	0	0	0	0	0	0	0
	(ii)	212,369	0	7,055	12,975	17,420	249,819	0
7RICHARD MENDRIBIL HEALTH SYSTEMS DIR OF PHARMACY	(i)	0	0	0	0	0	0	0
	(ii)	191,010	14,170	5,227	11,536	8,636	230,579	0
8DALE MERRITT REGISTERED NURSE	(i)	0	0	0	0	0	0	0
	(ii)	200,657	4,300	2,862	4,892	25,264	237,975	0
9BRENDA MUNNS DIRECTOR SURGICAL SERVICES	(i)	0	0	0	0	0	0	0
	(ii)	186,388	13,965	3,455	32,686	16,836	253,330	0
10JOHN DEMPSEY FORMER VP NAH/PRES LCMC	(i)	0	0	0	0	0	0	0
	(ii)	331,407	72,204	40,499	155,917	25,438	625,465	32,101

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	86-0376099	985900cx5	10-12-2011	65,094,379	See Part VI		X		X		X
B INDUSTRIAL DEVELOPMENT AUTHORITY OF YAVAPAI COUNTY	86-0376099		06-30-2015	54,783,825	See Part VI		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired	0		0					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	65,094,379		54,783,825					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrows	0		0					
7	Issuance costs from proceeds	629,060		1,111,308					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	0		0					
11	Other spent proceeds	64,465,319		54,299,049					
12	Other unspent proceeds	0		0					
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					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	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					
c	Are there any research agreements that may result in private business use of bond-financed property?		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 %					
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				
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				
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				
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					

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				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?	X		X					
c	No rebate due?		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				
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					
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				
b	Name of provider	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				
7	Has the organization established written procedures to monitor the requirements of section 148?	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					

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)	LINE 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 BOND 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 (VVMC) LINE 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 TOTAL ISSUANCE PRICE OF SERIES 2015A WAS \$80,395,000, WHICH WAS ALLOCATED \$37,213,075 TO FMC, \$9,274,438 TO VVMC, 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 FMC AND \$28,066,125 TO VVMC

SCHEDULE M
(Form 990)

Noncash Contributions

OMB No 1545-0047

2015

Open to Public Inspection

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990

Department of the Treasury
Internal Revenue Service

Name of the organization
Flagstaff Medical Center

Employer identification number
86-0110232

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	1	40	REPLACEMENT COST
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		1,218	REPLACEMENT COST
5 Clothing and household goods	X		18,657	REPLACEMENT COST
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory	X	30	401	REPLACEMENT COST
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (<u>TOYS/CERTIFICATES</u>)	X	905	17,066	REPLACEMENT COST
26 Other ► (<u>JEWELRY</u>)	X	6	10,720	REPLACEMENT COST
27 Other ► (<u>ADMISSIONS/MEMBERSHIP</u>)	X	201	23,188	REPLACEMENT COST
28 Other ► (<u>ALCOHOL</u>)	X	2	47	REPLACEMENT COST

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

No

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

Part II

Supplemental Information.

Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
SCHEDULE M, PART I, COLUMN B	THE ORGANIZATION IS REPORTING THE NUMBER OF CONTRIBUTIONS RECEIVED IN COLUMN (B) THE NUMBER OF CONTRIBUTIONS OR ITEMS CONTRIBUTED IS NOT ASCERTAINABLE FOR THE FOLLOWING DUE TO VOLUME BOOKS AND PUBLICATIONS CLOTHING AND HOUSEHOLD GOODS

SCHEDULE O
(Form 990 or
990-EZ)Department of the
Treasury
Internal Revenue
Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2015**Open to Public
Inspection**Name of the organization
Flagstaff Medical Center**Employer identification number**

86-0110232

**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

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 TODAY, 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 YOUR 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 - 267 INPATIENT BEDS - 223 PHYSICIANS ON OUR ACTIVE MEDICAL STAFF - 14,234 ANNUAL INPATIENT HOSPITAL ADMISSIONS - 63,165 INPATIENT DAYS - 84,007 ANNUAL OUTPATIENT HOSPITAL VISITS - 46,178 ANNUAL EMERGENCY DEPARTMENT VISITS - 1,152 BABIES BORN THIS YEAR AT FMC FLAGSTAFF MEDICAL CENTER'S MISSION, VISION, AND VALUES -----</p> <p>----- MISSION - FLAGSTAFF MEDICAL CENTER WILL PROVIDE PATIENTS WITH EXCEPTIONAL CARE WHILE TRANSFORMING THE HEALTH OF THE COMMUNITIES WE SERVE VISION - FLAGSTAFF MEDICAL CENTER WILL BE A MODEL HEALTHCARE SYSTEM DISTINGUISHED BY OUR PEOPLE, QUALITY, SERVICE AND OUR DEDICATION TO COMMUNITY HEALTH SOLUTIONS VALUES -PATIENTS - WE ARE COMMITTED TO MEETING THE NEEDS AND EXCEEDING THE EXPECTATIONS OF OUR PATIENTS - COLLEAGUES - WE WILL CREATE AN ORGANIZATIONAL CULTURE WHERE COLLEAGUES FEEL VALUED AND TAKE A SENSE OF PRIDE IN THEIR WORK - QUALITY - WE CONTINUOUSLY STRIVE TO ACHIEVE EXCELLENCE AT ALL LEVELS IN THE ORGANIZATION - SAFETY - WE ARE COMMITTED TO MAINTAINING A SAFE ENVIRONMENT FOR OUR PATIENTS, VISITORS AND COLLEAGUES - LEADERSHIP - WE PROMOTE LEADERSHIP AS AN ATTITUDE, NOT A POSITION, PUTTING VALUE ON BOTH PEOPLE AND THE WORK THEY DO - TEAMWORK - WE ARE COLLEAGUES WORKING TOGETHER, SHARING KNOWLEDGE, TALENTS AND SKILLS TO ACHIEVE COMMON GOALS - INTEGRITY - WE WILL BE FORTHRIGHT, HONEST AND RESPECTFUL - DIVERSITY - WE EMBRACE THE DIVERSITY OF OUR PEOPLE, PATIENTS AND THE COMMUNITIES WE SERVE</p>

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.

Return Reference	Explanation
FORM 990, PART VI, LINE 1	<p>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 4 THE VERDE VALLEY MEDICAL CENTER BOARD WAS INTEGRATED INTO THE NORTHERN ARIZONA HEALTHCARE BOARD IN OCTOBER 2015 NORTHERN ARIZONA HEALTHCARE MOVED FROM A HOLDING COMPANY TO AN OPERATING COMPANY, SUCCESSFULLY INTEGRATING THREE SEPARATE BOARDS TO ONE SYSTEM BOARD BOARD BYLAWS AND ARTICLES OF INCORPORATION WERE REWRITTEN TO ACHIEVE "BEST PRACTICE " THE ORGANIZATION MADE THE FOLLOWING SIGNIFICANT CHANGES TO THE BYLAWS, EFFECTIVE ON AUGUST 18, 2016 ARTICLE II THE CORPORATION SHALL HAVE A SINGLE CLASS OF VOTING MEMBERS, AND THE SOLE MEMBER OF THAT CLASS IS NORTHERN ARIZONA HEALTHCARE CORPORATION 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 Executive 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 ARTICLE III THE DIRECTORS AT ALL TIMES SHALL BE, AUTOMATICALLY AND WITHOUT THE NEED OF A SEPARATE ELECTION, THE INDIVIDUALS SERVING AS DIRECTORS OF NAH THE BYLAWS NO LONGER INCLUDE A PROVISION REGARDING THE MINIMUM OR MAXIMUM NUMBER OF BOARD MEMBERS, SINCE THE BOARD OF DIRECTORS FOR VVMC, FMC, AND NAH HAVE MERGED INTO ONE BOARD AS OF OCTOBER 2015 ARTICLE IV THE OFFICERS OF THE BOARD ARE NOW LISTED AS THE PRESIDENT AND CEO, A CHAIR AND VICE-CHAIR, A SECRETARY, AND A TREASURER EACH IS A VOTING MEMBER OF THE BOARD ARTICLE V DIRECTORS AND OFFICERS OF THE CORPORATION, OTHER THAN THE CEO WHO IS A FULL-TIME EMPLOYEE HIRED TO RUN THE DAY-TO-DAY OPERATIONS, SHALL NOT RECEIVE COMPENSATION FOR SERVING AS DIRECTORS AND/OR OFFICERS, BUT MAY RECEIVE REASONABLE COMPENSATION FOR OTHER PERSONAL SERVICES RENDERED WHICH ARE NECESSARY TO CARRYING OUT THE EXEMPT PURPOSES OF THE CORPORATION TO THE EXTENT PERMISSIBLE UNDER THE CORPORATION'S POLICIES AND PROCEDURES ARTICLE VI THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE INDIVIDUALS THEN SERVING AS THE EXECUTIVE COMMITTEE OF NAH, AUTOMATICALLY AND WITHOUT SEPARATE ELECTION ARTICLE VII THE BYLAWS NOW CONTAIN PROCEDURES REQUIRING CONDUCT IN ACCORDANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, AND ANNUAL DISCLOSURE OF CONFLICTS ARTICLE XII IN ORDER TO BE GRANTED AN AMENDMENT THERE MUST BE A SUPER-MAJORITY (75%) OF DIRECTORS IN OFFICE AND ELIGIBLE TO VOTE FORM 990, PART VI, LINE 6 NORTHERN ARIZONA HEALTHCARE CORPORATION IS THE SOLE CORPORATE MEMBER OF FLAGSTAFF MEDICAL CENTER</p>

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

Return Reference	Explanation
FORM 990, PART VI, LINE 7B	<p>NORTHERN ARIZONA HEALTHCARE CORPORATION IS THE SOLE VOTING MEMBER. The following actions may be initiated by the Member in its sole and absolute discretion:</p> <ul style="list-style-type: none">a) Adoption of the consolidated annual budget for the System and any amendmentsb) The selection and retention of the President and Chief Executive Officer of this Corporationc) 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 budgetd) The selection of the manner and location of investment of any retained earningse) Authorization of standing or ad hoc committees for controlled subsidiaries within the System. <p>THE MEMBER MAY NOT TRANSFER ITS MEMBERSHIP OR ANY RIGHTS ARISING THEREFROM.</p>

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 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.

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 GOVERNANCE COMMITTEE OF THE BOARD 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 GOVERNANCE COMMITTEE, WHICH MAKES A DETERMINATION AS TO WHETHER A CONFLICT EXISTS

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 SEPTEMBER 2016.

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 FORM 990, PART VII NORTHERN ARIZONA HEALTHCARE CORPORATION (NAH) PAID \$446,634 TO THE COKER GROUP HOLDINGS, LLC ("COKER") FOR THE SERVICES OF THE INTERIM CFO RICHARD LANGOSCH, WHO IS AN EMPLOYEE OF COKER GROUP

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS Increase in temporarily restricted assets \$ 61,650 Additional Pension Liability \$ (26,772,326) Transfers to Affiliates \$ (40,234,582) ----- TOTAL \$ (66,945,258)

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

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
(1) TASC LLC (THRU 12312015) 1200 N BEAVER ST FLAGSTAFF, AZ 86001 86-0913157	AMBULATORY SV	AZ	0	0	FMC

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)	9	NA		No
(2) VERDE VALLEY MEDICAL CENTER 269 SOUTH CANDY LANE COTTONWOOD, AZ 86326 86-0100882	HEALTHCARE	AZ	501(C)(3)	3	NAH		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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?

a

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

1a

No

b

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

1b

No

c

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

1c

No

d

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

1d

No

e

Loans or loan guarantees by related organization(s)

1e

No

f

Dividends from related organization(s)

1f

No

g

Sale of assets to related organization(s)

1g

No

h

Purchase of assets from related organization(s)

1h

No

i

Exchange of assets with related organization(s)

1i

No

j

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

1j

Yes

k

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

1k

Yes

l

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

1l

No

m

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

1m

No

n

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

1n

No

o

Sharing of paid employees with related organization(s)

1o

Yes

p

Reimbursement paid to related organization(s) for expenses

1p

Yes

q

Reimbursement paid by related organization(s) for expenses

1q

No

r

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

1r

Yes

s

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

1s

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

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)

Return Reference	Explanation
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