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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at www IRS gov/form990

OMB No 1545-0047

2015

Open to Public Inspection

A For the 2015 calendar year, or tax year beginning 10-01-2015 , and ending 09-30-2016

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
Sky Lakes Medical Center

Doing business as

Number and street (or P O box if mail is not delivered to street address) 2865 Daggett Avenue | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Klamath Falls, OR 97601

D Employer identification number
93-0508781

E Telephone number
(541) 274-6311

G Gross receipts $ 603,470,745

F Name and address of principal officer
PAUL STEWART
2865 Daggett Avenue
Klamath Falls, OR 97601

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www skylakes org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1979

M State of legal domicile OR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Sky Lakes Medical Center will continually strive to reduce the burden of illness, injury and disability, and to improve the health, self-reliance and well-being of the people we serve We will demonstrate that we are competent and caring in all we do We shall endeavor to be so successful in this effort that we will become a preeminent healthcare center

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	**5**	1,600
6	Total number of volunteers (estimate if necessary)	**6**	320
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	7,176
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	3,136

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,151,024	703,711
9	Program service revenue (Part VIII, line 2g)	540,811,667	594,048,546
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,853,551	4,418,026
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	516,084	908,549
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	546,332,326	600,078,832
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	766,650	393,014
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)	97,471,961	110,202,768
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	419,449,748	459,799,032
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	517,688,359	570,394,814
19	Revenue less expenses Subtract line 18 from line 12	28,643,967	29,684,018

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	287,290,341	334,383,334
21	Total liabilities (Part X, line 26)	96,000,250	113,037,601
22	Net assets or fund balances Subtract line 21 from line 20	191,290,091	221,345,733

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** 2017-08-15
Signature of officer Date

Richard Rico VP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Wendy Campos	Wendy Campos	2017-08-14		P00448102

Firm's name ▶ Moss Adams LLP | Firm's EIN ▶ 91-0189318

Firm's address ▶ 805 SW Broadway Ste 1200
Portland, OR 97205 | Phone no (503) 242-1447

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

Sky Lakes Medical Center will continually strive to reduce the burden of illness, injury and disability, and to improve the health, self- reliance and well-being of the people we serve We will demonstrate that we are competent and caring in all we do We shall endeavor to be so successful in this effort that we will become a preeminent healthcare center

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 See Additional Data)	(Expenses $	475,562,772	including grants of $	330,144)	(Revenue $	573,520,552)
4b	(Code See Additional Data)	(Expenses $	23,258,362	including grants of $	0)	(Revenue $	0)
4c	(Code See Additional Data)	(Expenses $	6,003,989	including grants of $	62,870)	(Revenue $	2,371,153)

See Additional Data

4d Other program services (Describe in Schedule O)

(Expenses $ 31,391,698 including grants of $ 0) (Revenue $ 18,176,445)

4e **Total program service expenses ▶** 536,216,821

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		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *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	Yes	
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	Yes	
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		No
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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**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 . .	1a	325		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,600		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . .	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

Part VI Governance, Management, and Disclosure

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

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	10		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6			No
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			No
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			No
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		No
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		No

Section C. Disclosure

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

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 ▶ RICHARD RICO VPCFO 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 (541) 274-6150

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

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

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

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

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

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

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

(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			
(1) JOHN BELL CHAIRMAN	3 00 1 00	X		X				0	0	0
(2) ROD WENDT VICE CHAIRMAN	1 00 1 00	X		X				0	0	0
(3) PAUL R STEWART PRESIDENT/CEO/SECRETARY/TREASURER	50 00 1 00	X		X				615,341	0	43,308
(4) KERMIT HOUSER BOARD MEMBER	1 00 1 00	X						0	0	0
(5) CLARK PEDERSON BOARD MEMBER	1 00 3 00	X						0	0	0
(6) JEAN PHILLIPS BOARD MEMBER	1 00 1 00	X						0	0	0
(7) WENDY WARREN MD BOARD MEMBER	1 00 1 00	X						200	0	0
(8) DOUGLAS MCINNIS DVM BOARD MEMBER	1 00 1 00	X						0	0	0
(9) JOHN R PATTEE MD BOARD MEMBER	1 00 1 00	X						22,000	0	0
(10) DWIGHT SMITH MD BOARD MEMBER	1 00 1 00	X						18,200	0	0
(11) RICHARD E RICO VP/CFO	50 00			X				430,444	0	49,439
(12) SHAUN C SPALDING MEDICAL PROVIDER	40 00					X		448,798	0	20,468
(13) JARED OGAO MD MEDICAL PROVIDER	40 00					X		449,400	0	33,718
(14) RICHARD A DEVORE MD MEDICAL PROVIDER	40 00					X		452,597	0	33,958

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			
(15) J ERIC BRUNSWICK MD MEDICAL PROVIDER	40 00					X		462,427	0	17,812
(16) STANTON T SMITH MD MEDICAL PROVIDER	40 00					X		507,673	0	33,718
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								3,407,080	0	232,421

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 ▶ 148

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such person*	**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
Hudson Staffing 4625 Nadine Lane Franklin, TN 37064	STAFFING SERVICES	3,709,519
KLAMATH RADIOLOGY ASSOCIATES 2900 DAGGETT AVENUE KLAMATH FALLS, OR 97601	PHYSICIAN PRACTICE	3,399,048
KLAMATH ORTHOPEDIC CLINIC 2220 BRYANT WILLIAMS DRIVE KLAMATH FALLS, OR 97601	PHYSICIAN PRACTICE	2,580,566
Pacific Radiation Oncology Care 7654 Andrew Lane KLAMATH FALLS, OR 97603	PHYSICIAN PRACTICE	776,958
Klamath Elite Anesthesia Group 611 Loma LInda Dnve KLAMATH FALLS, OR 97601	PHYSICIAN PRACTICE	678,325

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 ▶ 28

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				
	d Related organizations	1d 703,711				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		703,711			
Program Service Revenue		Business Code				
	2a PATIENT REVENUE	622110	573,520,552	573,520,552		
	b Other Program Revenue	622110	20,527,994	20,527,994		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		594,048,546			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		4,587,233			4,587,233
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real / (ii) Personal				
	6a Gross rents	922,972				
	b Less rental expenses	986,159				
	c Rental income or (loss)	-63,187				
	d Net rental income or (loss)		-63,187			-63,187
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses	169,207				
	c Gain or (loss)	-169,207				
	d Net gain or (loss)		-169,207			-169,207
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a 3,997,584				
	b Less cost of goods sold	b 2,236,547				
	c Net income or (loss) from sales of inventory		1,761,037			1,761,037
	Miscellaneous Revenue	Business Code				
	11a PASSTHROUGH INCOME	622110	106,212	19,604	7,176	79,432
	b OTHER INCOME	900099	-895,513			-895,513
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d		-789,301			
	12 **Total revenue.** See Instructions		600,078,832	594,068,150	7,176	5,299,795

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	255,000	255,000		
2 Grants and other assistance to domestic individuals See Part IV, line 22	138,014	138,014		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,233,547		1,233,547	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	88,757,392	81,529,031	7,228,361	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,633,203	3,164,155	469,048	
9 Other employee benefits	10,758,830	9,270,726	1,488,104	
10 Payroll taxes	5,819,796	4,708,917	1,110,879	
11 Fees for services (non-employees)				
a Management	2,915,398	145,838	2,769,560	
b Legal	227,612		227,612	
c Accounting	201,405		201,405	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	16,372,906	16,358,164	14,742	
12 Advertising and promotion	1,112,216	498,715	613,501	
13 Office expenses	2,378,568	1,221,073	1,157,495	
14 Information technology	6,311,281	61,388	6,249,893	
15 Royalties				
16 Occupancy	4,435,444	3,079,067	1,356,377	
17 Travel	135,112	135,112		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	836,907	534,554	302,353	
20 Interest	3,206,268	3,216,260	-9,992	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	13,260,110	7,998,085	5,262,025	
23 Insurance	1,912,257	439,114	1,473,143	
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 Contractual Allowance	328,504,937	328,504,937		
b Supplies	34,464,705	34,311,413	153,292	
c BAD DEBTS	15,212,404	15,212,404		
d TAXES PAID ON UBI	200		200	
e All other expenses	28,311,302	25,434,854	2,876,448	
25 **Total functional expenses.** Add lines 1 through 24e	570,394,814	536,216,821	34,177,993	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		12,670,202	1	32,207,245
	2	Savings and temporary cash investments		12,718,077	2	5,576,792
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		32,780,051	4	36,321,734
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		465,042	5	630,383
	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			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,229,462	8	3,939,835
	9	Prepaid expenses and deferred charges		2,774,698	9	2,540,788
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 206,948,221			
	b	Less accumulated depreciation	10b 114,323,082	95,984,105	10c	92,625,139
	11	Investments—publicly traded securities		49,174,033	11	48,441,303
	12	Investments—other securities See Part IV, line 11		35,105,634	12	45,167,942
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		43,389,037	15	66,932,173
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		287,290,341	16	334,383,334
Liabilities	17	Accounts payable and accrued expenses		32,574,991	17	27,902,325
	18	Grants payable			18	
	19	Deferred revenue		2,474,430	19	2,440,992
	20	Tax-exempt bond liabilities		52,895,845	20	73,612,390
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		8,054,984	25	9,081,894
	26	**Total liabilities.** Add lines 17 through 25		96,000,250	26	113,037,601
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		191,290,091	27	221,345,733
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ 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		191,290,091	33	221,345,733
	34	Total liabilities and net assets/fund balances		287,290,341	34	334,383,334

Part XI Reconcilliation 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	600,078,832
2	Total expenses (must equal Part IX, column (A), line 25)	2	570,394,814
3	Revenue less expenses Subtract line 2 from line 1	3	29,684,018
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	191,290,091
5	Net unrealized gains (losses) on investments	5	394,491
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-22,867
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	221,345,733

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

Additional Data

Software ID:
Software Version:
EIN: 93-0508781
Name: Sky Lakes Medical Center

Form 990, Part III, Line 4a

4a	(Code	) (Expenses $	475,562,772	including grants of $	330,144) (Revenue $	573,520,552)	

Patient Care Expenses - Acute inpatient care for adult and pediatric patients, a Level III Trauma Emergency Department, services related to child abuse, home care, physical, occupational and speech therapies, a cancer treatment center with both medical and radiation oncology, and diagnostic testing (laboratory and diagnostic imaging) availability in settings around the community

Form 990, Part III, Line 4b

4b	(Code	) (Expenses $	23,258,362	including grants of $	0) (Revenue $	0)	

UNCOMPENSATED CARE - DURING FISCAL YEAR 2016, SKY LAKES MEDICAL CENTER, LIKE MOST US HOSPITALS, SAW A SHIFT AWAY FROM CHARITY CARE APPLICATIONS DUE TO THE AFFORDABLE CARE ACT CHARGES WRITTEN OFF UNDER OUR BROAD-REACHING CHARITY CARE POLICY TOTALED $8,122,728 (COMPARED TO $7,012,265 FOR THE FISCAL YEAR 2015) IN ADDITION TO CHARITY CARE WRITE OFFS, CHARGES WRITTEN OFF AS BAD DEBT TOTALED $15,135,634 (VERSUS $12,717,526 WRITTEN OFF IN FISCAL YEAR 2015) AS A PERCENTAGE OF CHARGES, FISCAL YEAR 2016 WRITE OFFS REPRESENT 1 4% (CHARITY CARE) AND 2 6% (BAD DEBT), RESPECTIVELY THESE PERCENTAGES FOR THE PRIOR YEAR WERE 1 3% AND 2 4% WE CONTINUE TO expand our Chanty Care Policy to help people in our community get the necessary medical care they need

Form 990, Part III, Line 4c

4c	(Code	) (Expenses $	6,003,989	including grants of $	62,870) (Revenue $	2,371,153)	

EDUCATIONAL SUPPORT - SKY LAKES MEDICAL CENTER COMMITS SIGNIFICANT DOLLARS AND HOURS TO BENEFIT EDUCATIONAL EFFORTS IN AND FOR THE COMMUNITY AMONG THOSE COMMITMENTS ARE THE FOLLOWING OREGON HEALTH & SCIENCE UNIVERSITY AFFILIATED FAMILY PRACTICE RESIDENCY PROGRAM AND CLINIC, AN RN I TRAINING PROGRAM TO INCLUDE 6 MONTHS OF ONE-ON-ONE SUPERVISED ORIENTATION TO THE INPATIENT CARE AREAS, AWARDING OF SCHOLARSHIPS TO COMMUNITY MEMBERS AND/OR EMPLOYEES IN HEALTHCARE- RELATED PROGRAMS, A HOSPITAL DEPARTMENT, LEARNING RESOURCES, DEDICATED TO THE EDUCATION OF PHYSICIANS, EMPLOYEES AND COMMUNITY MEMBERS, COMMITMENT TO EMPLOYEES ACTING, EITHER FULL-TIME OR PART-TIME, AS INSTRUCTORS IN ACCREDITED COURSES AT THE HIGH SCHOOL, COMMUNITY COLLEGE OR UNIVERSITY LEVEL, STIPEND PAYMENTS TO STUDENTS PERFORMING WORK AND/OR ON-THE-JOB TRAINING WITHIN THE HOSPITAL SETTING, TUITION REIMBURSEMENTS PAID TO EMPLOYEES ENROLLED IN COLLEGE-LEVEL COURSEWORK, JOINT PARTICIPATION IN A SIMULATION LABORATORY WITH OIT, FREE OR MINIMAL COST COMMUNITY EDUCATIONAL OPPORTUNITIES SUCH AS DIABETES EDUCATION, NUTRITION AND OTHER EDUCATION PROGRAMS IN OR FOR THE SCHOOLS, AND HEALTH FAIRS

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

(Code) (Expenses $ 31,391,698 including grants of $ 0) (Revenue $ 18,176,445)

EXPENSES RELATED TO MEDICAL CENTER SUPPORTING SERVICES SUCH AS ADMINISTRATION, INFORMATION SYSTEMS, FINANCIAL SERVICES, REVENUE CYCLE PROCESSES, HUMAN RESOURCES, ENGINEERING, ENVIRONMENTAL SERVICES, RISK MANAGEMENT, AND SAFETY AND SECURITY

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.**

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Sky Lakes Medical Center

Employer identification number
93-0508781

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 331/3% 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 331/3% 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? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
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** . . . . . ▶ ☐

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 ▶ ☐

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 ▶ ☐

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 ▶ ☐

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 ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in 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** ▶ ☐

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? *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*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *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*	2		

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *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)*	1		

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (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?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s)*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard*	3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year **(see instructions)**

- **a** ☐ The organization satisfied the Activities Test. Complete **line 2** below.
- **b** ☐ The organization is the parent of each of its supported organizations. Complete **line 3** below.
- **c** ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

		Yes	No
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? *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.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *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.*	2b		
3	Parent of Supported Organizations. **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in Part VI.*	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? *If "Yes," describe in Part VI the role played by the organization in this regard.*	3b		

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

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **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) ☐

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

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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
Sky Lakes Medical Center

Employer identification number
93-0508781

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? ☐ Yes ☐ No

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

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

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

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

		Amount
b If "Yes," explain the arrangement in Part XIII and complete the following table		
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	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	14,766,429	15,555,625	14,589,830	13,956,740	11,698,651
b Contributions	831,608	128,097	170,459	12,716	20,361
c Net investment earnings, gains, and losses	1,640,023	183,989	1,968,108	2,126,606	2,760,201
d Grants or scholarships	21,511	15,940	62,666	10,509	12,270
e Other expenditures for facilities and programs	587,712	878,284	896,032	1,214,051	220,861
f Administrative expenses	301,803	207,058	214,074	281,672	289,342
g End of year balance	16,327,034	14,766,429	15,555,625	14,589,830	13,956,740

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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		2,705,538		2,705,538
b Buildings		118,819,688	63,202,605	55,617,083
c Leasehold improvements		4,414,917	3,112,708	1,302,209
d Equipment		77,434,221	47,754,989	29,679,232
e Other		3,573,857	252,780	3,321,077
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				92,625,139

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENTS IN OTHER COMPANIES	7,795,799	C
(B) LIFE INSURANCE	36,470,808	F
(C) DEFERRED COMP PLAN ASSETS	901,335	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	45,167,942	

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
(1) Assets LIMITED AS TO USE	26,804,658
(2) Other Assets	1,358,022
(3) RISK POOL WITHHOLD RECEIVABLE	1,662,357
(4) Deferred Financing Costs	1,219,051
(5) Construction in Process	1,677,783
(6) Other Receivables	34,210,302
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* . . . . . ▶	66,932,173

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

1. (a) Description of liability	(b) Book value
Federal income taxes	
Capital Lease obligations	7,307,086
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,774,808
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	9,081,894

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

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

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 93-0508781
Name: Sky Lakes Medical Center

Supplemental Information

Return Reference	Explanation
Part V, Line 4	ENDOWMENTS ARE HELD BY A RELATED ORGANIZATION, SKY LAKES MEDICAL CENTER FOUNDATION, FOR TH E BENEFIT OF SKY LAKES MEDICAL CENTER THE CONTINUED GROWTH OF THE ENDOWMENT FUNDS ALLOWS FOR LARGER EXPENDITURES OF INVESTMENT AND OTHER INCOME TO BE SPENT WITHOUT EXPENDING ANY O F THE INITIAL GIFTED FUNDS OR DESIGNATED FUNDS, WHICH REMAIN AS ENDOWED FUNDS

Supplemental Information

Return Reference	Explanation
Part X, Line 2	FIN 48 (ASC 740) Uncertain Tax Position Footnote - The Medical Center had no unrecognized tax benefits at September 30, 2016 or 2015 The Medical Center recognizes interest accrued and penalties related to unrecognized tax benefits as an administrative expense During t he years ended September 30, 2016 and 2015, the Medical Center recognized no interest and penalties The Medical Center files an exempt organization information and an unrelated bu siness income tax return in the U S federal jurisdiction and an unrelated business income tax return with the Oregon Department of Revenue

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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
Sky Lakes Medical Center

Employer identification number
93-0508781

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			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 25000 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
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)	43	12,406	14,093,656		14,093,656	2 540 %
b Medicaid (from Worksheet 3, column a)			60,144,069	60,823,444	-679,375	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	43	12,406	74,237,725	60,823,444	13,414,281	2 540 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	16	15,957	1,382,452	100,649	1,281,803	0 230 %
f Health professions education (from Worksheet 5)	2	24,073	4,682,161	1,803,150	2,879,011	0 520 %
g Subsidized health services (from Worksheet 6)	0	290,000	19,578,294	15,132,911	4,445,383	0 800 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			490,050		490,050	0 090 %
j **Total.** Other Benefits	18	330,030	26,132,957	17,036,710	9,096,247	1 640 %
k **Total.** Add lines 7d and 7j	61	342,436	100,370,682	77,860,154	22,510,528	4 180 %

Part II Community Building Activities

Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	7	9,166	623,779	299,778	324,001	0 060 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1	25	609	0	609	0 %
7	Community health improvement advocacy	9	49,626	231,554	0	231,554	0 040 %
8	Workforce development	4	623	1,004,856	0	1,004,856	0 180 %
9	Other						
10	**Total**	21	59,440	1,860,798	299,778	1,561,020	0 280 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
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	15,212,404		
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	2,281,861		
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	52,992,944
6	Enter Medicare allowable costs of care relating to payments on line 5	6	64,735,564
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-11,742,620
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		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

(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					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

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

	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
See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group SKY LAKES MEDICAL CENTER

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	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 15			
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	Yes	
6 a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		No
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	☑ Hospital facility's website (list url) skylakes org			
b	☑ Other website (list url) HealthyKlamath org			
c	☑ Made a paper copy available for public inspection without charge at the hospital facility			
d	☑ 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 15			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
a	If "Yes" (list url) skylakes org			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		No
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)

SKY LAKES 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?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 250 000000000000 % and FPG family income limit for eligibility for discounted care of 400 000000000000 %			
b	☑ Income level other than FPG (describe in Section C)			
c	☑ Asset level			
d	☐ Medical indigency			
e	☐ Insurance status			
f	☑ Underinsurance discount			
g	☐ Residency			
h	☑ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	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)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☑ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☐ Other (describe in Section C)			
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) skylakes org			
b	☑ The FAP application form was widely available on a website (list url) skylakes org			
c	☑ A plain language summary of the FAP was widely available on a website (list url) skylakes org			
d	☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	☑ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h	☑ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	☐ Other (describe in Section C)			

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			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ Other similar actions (describe in Section C)			
e	☑ None of these actions or other similar actions were permitted			

Part V Facility Information *(continued)*

SKY LAKES 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?	**19**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ 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	☑ Notified individuals of the financial assistance policy on admission			
b	☑ Notified individuals of the financial assistance policy prior to discharge			
c	☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills			
d	☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy			
e	☐ Other (describe in Section C)			
f	☐ None of these efforts were made			
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ 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	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☑ 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?	**23**		No
	If "Yes," explain in Section C			
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**24**		No
	If "Yes," explain in Section C			

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? **16**

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

Part VI Supplemental Information

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
Part I, Line 7	A COST-TO-CHARGE RATIO WAS USED FOR THE FINANCIAL ASSISTANCE AND COMMUNITY BENEFITS TABLE THE RATIO WAS DERIVED USING WORKSHEET 2, 'RATIO OF PATIENT CARE COST-TO-CHARGES '

Form and Line Reference	Explanation
Part I, Line 7, Column (f)	The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is $ 15,212,404

Form and Line Reference	Explanation
Part II, Community Building Activities	COMMUNITY SUPPORT Activities include Klamath-Lake Child Abuse Response and Evaluation Services (CARES) CARES is dedicated to providing safe, comprehensive, objective medical assessments, and to raising awareness about child abuse through coordinated, collaborative educational programs Four times per year, discounted and free prescription drugs, along with educational support by licensed pharmacists, are provided to low income elderly through local senior centers The No One Dies Alone program is a volunteer program that provides the reassuring presence of a volunteer companion to dying patients who would otherwise be alone Sky Lakes also participates in Relay for Life, United Way and other local fundraising and awareness initiatives, as well as ongoing efforts in the Period of Purple Crying community education campaign There are a number of other Community Support activities that are provided, including but not limited to sponsorship of support groups for cancer, adopting families at Christmas, transportation assistance to indigent patients, staff volunteer participation in community events, and free access to meeting rooms COALITION BUILDING The local health department, in conjunction with the Oregon Health Department, periodically performs health assessments of the people in the communities served by Sky Lakes The medical center works with local health authorities to determine the health initiatives that can be jointly addressed by community leaders, with Sky Lakes Medical Center serving a significant leadership role Sky Lakes Medical Center actively partners with agencies such as the Klamath County Health Department, Oregon Health & Science University, and the United Way of the Klamath Basin in health-improvement initiatives Employees volunteer their time for Leadership Klamath, Klamath Hospice and many other community service organizations where leaders come together COMMUNITY HEALTH IMPROVEMENT ADVOCACY Sky Lakes health improvement advocacy takes place via an annual health fair and ongoing educational offerings for heart disease, cholesterol screening, weight management, nutrition, DUII, eating on budget, breastfeeding, smoking cessation, car seat safety, AIDS/HIV, and diabetes In addition to community members, educational offerings include nursing students, elementary, middle, high schools and local colleges Employee support - time and monetary donations - of local food banks is also encouraged WORKFORCE DEVELOPMENT Sky Lakes underwrites the wages and benefits of selected new graduates from the local baccalaureate nursing program These nurses spend 6 months orienting to various inpatient units by shadowing experienced Registered Nurses in order to determine the best employment "fit" for them and for Sky Lakes

Form and Line Reference	Explanation
Part III, Line 4	BAD DEBTS ARE ACCRUED MONTHLY AT A FIXED PERCENTAGE OF GROSS CHARGES BOOKED BAD DEBT EXPENSE IS ROUTINELY COMPARED TO ACTUAL BAD DEBT WRITEOFFS, WHICH INCLUDE PAYMENTS TO PREVIOUSLY RECORDED BAD DEBTS, AND THE ACCRUAL PERCENTAGE IS ADJUSTED ACCORDINGLY THIS PROCESS HAS THE INTENDED EFFECT OF REALIZING BAD DEBT EACH MONTH AS A LESS VOLATILE EXPENSE BAD DEBT EXPENSE INCLUDES PAYMENTS - PATIENT AND INSURANCE - TO PREVIOUSLY RECORDED BAD DEBTS SKY LAKES MEDICAL CENTER OFFERS A CHARITY CARE APPLICATION TO ALL PATIENTS, EITHER IN PERSON OR MAKING IT AVAILABLE VIA US MAIL OR ON THE HOSPITAL'S WEBSITE A SAMPLE OF PROCESSED CHARITY CARE APPLICATIONS WAS TAKEN WE FOUND THAT 15% OF CHARITY CARE APPLICATIONS WERE TURNED TO BAD DEBT DUE TO LACK OF INFORMATION SUPPLIED BY THE HOUSEHOLD WE ASSUME THAT ALL REMAINING BAD DEBT ACCOUNTS WERE CORRECTLY CLASSIFIED DURING OUR COLLECTION PROCESS THIS 15% REPRESENTS $2 3 MILLION THE FOOTNOTE THAT DISCUSSES BAD DEBT EXPENSE IS CONTAINED ON PAGE 14 OF THE ATTACHED FINANCIAL STATEMENTS, ENTITLED 'PATIENT ACCOUNTS RECEIVABLE '

Form and Line Reference	Explanation
Part III, Line 8	MEDICARE REIMBURSEMENTS DO NOT COVER THE COSTS OF DELIVERING CARE TO THE COMMUNITY IN ADDITION, SKY LAKES IS A TEACHING HOSPITAL THAT PROVIDES ACCESS TO PRIMARY CARE IN A RURAL COMMUNITY THAT HAS A PHYSICIAN SHORTAGE SERVICES PROVIDED AND PAID ON THE MEDICARE FEE SCHEDULE (E G OUTPATIENT LAB TESTS, OUTPATIENT THERAPY SERVICES, OR PROVIDER BASED PHYSICIAN SERVICES) ARE NOT INCLUDED IN THE MEDICARE AMOUNTS INCLUDED IN PART III, SECTION B SKY LAKES DOES NOT UTILIZE A COST ACCOUNTING SYSTEM VENDORS AND SURVEYING AGENCIES (GOVERNMENTAL AND NON-GOVERNMENTAL) ARE PROVIDED WITH THE MEDICARE COST REPORT COST-TO-CHARGE RATIO WHEN THEY REQUEST IT COSTS OF ROUTINE AND ICU NURSING SERVICES ARE CALCULATED ON A PER DIEM ANCILLARY SERVICE COSTS ARE CALCULATED BASED ON TOTAL COSTS INCLUDING OVERHEAD TO TOTAL CHARGES BY ANCILLARY SERVICE TO DEVELOP A RATIO OF COSTS-TO-CHARGES (RCC), WITH MEDICARE'S APPORTIONMENT CALCULATED BY TAKING MEDICARE CHARGES MULTIPLIED BY THE RCC DEVELOPED ON THE COST REPORT

Form and Line Reference	Explanation
Part III, Line 9b	SKY LAKES PLACES ALL ACCOUNTS IDENTIFIED AS ELIGIBLE FOR FINANCIAL ASSISTANCE ON HOLD AND THEN MAKES ANY NECESSARY ADJUSTMENTS BEFORE STATEMENTS ARE SENT MANY OF THESE ACCOUNTS ARE ADJUSTED OFF COMPLETELY AND NO STATEMENTS ARE SENT SKY LAKES ALSO CALLS PAST DUE ACCOUNTS (THIRD STATEMENT) AND REVIEWS TO SEE IF FINANCIAL ASSISTANCE IS AVAILABLE LARGER ACCOUNTS ARE REVIEWED BY FINANCIAL COUNSELORS AND CHAMBERLIN EDMONDS FOR FINANCIAL ASSISTANCE ELIGIBILITY OR MEDICAID ELIGIBILITY BOTH GROUPS MAKE PROACTIVE CALLS AND FOLLOW UP WITH PATIENTS TO GET THE NECESSARY INFORMATION TURNED IN

Form and Line Reference	Explanation
Part VI, Line 2	Sky Lakes Medical Center assesses the health care needs of the community it serves by monitoring the Healthy Communities Institute (HCI) indicators tracked and displayed at HealthyKlamath org That website is the communications tool of the local community collaborative aimed at improving the livability of the region There are more than 100 indicators that monitor access questions, rates of diseases including cancer and diabetes in the population, as well as maternal and infant health, mental health, and indirect influences of health such as substance abuse and stress Sky Lakes also asks adults to self-report their health conditions via anonymous and randomized surveys mailed to patients recently discharged from the medical center (inpatients and Emergency Department), and people who have used Sky Lakes facilities for outpatient testing and treatments Further, Sky Lakes uses secondary data such as the Klamath-Lake Community Action Services (KLCAS) assessment identifying ways to assist individuals who are trying to climb out of poverty The medical center also uses the annual County Health Rankings data, a Robert Wood Johnson Foundation program, to monitor indicators for health outcomes, health behaviors, and clinical care Sky Lakes also uses formal conversations with community partners and medical collaborators, and actively partners with agencies in health-improvement initiatives The Klamath County Health Department, in conjunction with the Oregon Health Authority, periodically performs health assessments of the people in the communities served by Sky Lakes The medical center works with local health authorities to determine the health initiatives that can be jointly addressed by community leaders, with Sky Lakes serving a significant leadership role Community members' perceptions regarding health needs are captured in non-scientific surveys conducted at the conclusion of community events hosted by the medical center

Form and Line Reference	Explanation
Part VI, Line 3	Sky Lakes Medical Center's Financial Assistance Policy and application for assistance is located on the hospital's website, is referenced in the online bill-management section of the site, and is featured in a variety of medical center publications distributed to homes in the service area The Financial Assistance Policy and assistance application also are provided when patients register for services, at Patient Financial Service when they pay their bills in person, and when patients inquire about their bills or assistance Further, a reminder with the website URL is on the back of patient bills In addition, uninsured patients are provided patient advocacy-based eligibility and enrollment services for Medicaid and other benefit programs The medical center ensures information about financial assistance and applications for assistance is at all patient registration areas and our specially trained Financial Counselors help applicants complete the form Financial Counselors telephone uninsured patients with large balances to proactively offer assistance Our ability to offer financial assistance is clearly listed on every statement and on most form letters mailed to patients and families It also is covered during courtesy phone calls if there is mention of difficulty in paying Sky Lakes also provides information about federal, state or local government programs We have engaged the services of Chamberlin Edmonds, a company that speaks with all uninsured inpatients who meet clearly defined criteria Chamberlin Edmonds staff also review all qualifying outpatient accounts and contact patients to discuss their eligibility Those staff further assist patients in completing financial assistance applications if they are unsuccessful getting on a government program The Sky Lakes Cancer Treatment Center, a department of the medical center, also has financial counselors who assist with pharmaceutical co-pay relief through the drug manufacturers, relieving patients of some of that financial obligation The medical center, through a third-party relationship, routinely provides no-charge medications to indigent patients through major pharmaceutical companies

Form and Line Reference	Explanation
Part VI, Line 4	COMMUNITIES IN A 10,000-SQUARE-MILE, FOUR-COUNTY AREA ENCOMPASSING SOUTH-CENTRAL OREGON AND NORTH-CENTRAL CALIFORNIA COMPRISE THE SKY LAKES MEDICAL CENTER SERVICE AREA WHILE KLAMATH COUNTY IS THE LARGEST POLITICAL UNIT IN THE SERVICE AREA, A TOTAL OF ROUGHLY 80,000 TO 100,000 PEOPLE IN TWO OREGON COUNTIES, KLAMATH AND LAKE, AND TWO CALIFORNIA COUNTIES, MODOC AND SISKIYOU, RELY ON SKY LAKES FOR THEIR ACUTE HEALTHCARE NEEDS BECAUSE THE POLITICAL BOUNDARIES OF THE SERVICE AREA MAKE ACCURATE MEASUREMENTS IMPOSSIBLE, DATA FOR KLAMATH COUNTY ARE USED FOR THIS NARRATIVE THE CENSUS BUREAU'S POPULATION ESTIMATES PROGRAM (PEP), UTILIZING CURRENT DATA ON BIRTHS, DEATHS, AND MIGRATION TO CALCULATE POPULATION CHANGE SINCE THE MOST RECENT DECENNIAL CENSUS, ESTIMATES THE POPULATION IN 2015 AT 65,455 CENSUS DATA FROM THE OREGON SECRETARY OF STATE FOR 2015 SHOW KLAMATH COUNTY'S POPULATION AT 66,016 OF THE TOTAL, 21 5 PERCENT ARE YOUNGER THAN 18, AND 19 2 PERCENT ARE 65 OR OLDER THOSE COMPARE WITH 21 6 PERCENT AND 16 0 PERCENT RESPECTIVELY FOR THE STATE OF OREGON IN THE SAME PERIOD THE POPULATION'S GENDER SPLIT IS ALMOST EVEN WITH 50 1 PERCENT FEMALE, WITH 37 6 PERCENT OF THE TOTAL LISTED AS BEING "RURAL, AND 89 1 PERCENT LISTED AS WHITE, 4 7 PERCENT AS AMERICAN INDIAN, 12 2 PERCENT HISPANIC OR LATINO, AND 0 9 PERCENT AFRICAN AMERICAN THE MEDIAN HOUSEHOLD INCOME IN THE COUNTY IN 2015 IS REPORTED AT $39,534, DOWN FROM $41,066 TWO YEARS EARLIER, WITH 21 9 PERCENT OF THE POPULATION IN POVERTY THAT COMPARES TO 14 8 PERCENT NATIONALLY THE COUNTY HEALTH RANKINGS FOR 2015 SHOW KLAMATH COUNTY IS RANKED 34 OUT OF 34 RANKED OREGON COUNTIES THE REPORT RANKS SUCH FACTORS AS - POOR OR FAIR HEALTH (18 PERCENT VS THE NATIONAL BENCHMARK OF 10 PERCENT AND THE OREGON BENCHMARK OF 14 PERCENT), - ADULT SMOKING (23 PERCENT VS 14 PERCENT NATIONALLY AND 16 PERCENT IN OREGON), - UNINSURED ADULTS (20 PERCENT VS 11 PERCENT NATIONALLY AND 17 PERCENT IN OREGON), - PRIMARY CARE PROVIDERS (1,268 1 VS 1,045 1 NATIONALLY AND 1,105 1 IN OREGON), - UNEMPLOYMENT (10 7 PERCENT VS 4 0 PERCENT NATIONALLY AND 7 7 IN OREGON), - CHILDREN IN POVERTY (27 PERCENT VS 13 PERCENT NATIONALLY AND 22 PERCENT IN OREGON), AND - VIOLENT CRIME RATE (234 VS 59 NATIONALLY AND 249 IN OREGON) ACCORDING TO THE 2015 OREGON COMMUNITY HOSPITAL REPORT, DURING 2014, SKY LAKES HAD - 5,183 INPATIENT DISCHARGES, - 19,443 INPATIENT DAYS, - AN AVERAGE LENGTH OF STAY OF 3 75 DAYS, DOWN FROM 4 06 THE YEAR EARLIER, and - 21,848 EMERGENCY DEPARTMENT VISITS

Form and Line Reference	Explanation
Part VI, Line 5	Besides providing high-quality healthcare, Sky Lakes Medical Center furthers its tax-exemp t purpose and fulfills its medical mission to the community by providing or subsidizing nu merous classes, support groups, screenings and self-help programs, free childbirth prepara tion classes for moms-to-be, and lactation education for new moms, a free general communit y health fair attended by more than 2,500 people a year, and a separate free health fair f ocused on information for people with diabetes, a variety of programs aimed at encouraging better fitness and improved nutrition, including preparation instruction, and separate su pport groups for people affected by cancer and those who have diabetes Also, Sky Lakes ho sts free "Walk With a Doc" programs in cooperation with area physicians and clinics The a bove activities are provided at no charge as public services of Sky Lakes Sky Lakes routin ely partners with OSU Extension to promote healthier nutrition choices, hands-on cooking c lasses, and food-preservation courses To encourage people to be more active, Sky Lakes of fers free pedometers to people interested in keeping track of their steps en route to a go al of 10,000 steps a day Pedometers are offered via the medical center's quarterly Live S mart magazine and via social media Sky Lakes staff members conduct hand-hygiene education and free blood pressure checks at the every-other-year area Safety Fair hosted by area eme rgency services agencies, and at similar community events The medical center further prom otes hand hygiene by offering free hand sanitizer, and skin protection using a UV demonstr ation followed up with free sun screen samples These activities are in coordination with a multi-media public service campaign promoting early detection screenings and tests for c ancer Sky Lakes is the principal underwriter for Cascades East Family Medicine, a clinic a nd a family practice residency program operated in partnership with Oregon Health & Scienc e University Financial support from Sky Lakes for 2016 was nearly $4 million with a commu nity benefit of some $2 5 million Cascades East also operates a mobile clinic that provide s no-charge healthcare services to un- and underinsured populations in the region, Sky Lak es covers the mobile clinic's expenses Cascades East medical staff log more than 1,000 mi les in the vehicle each year and perform more than 200 patient exams Klamath-Lake Child Ab use Response and Evaluation Services (CARES) is a Sky Lakes department where children who may be victims of abuse receive a well-child medical examination If a disclosure of abuse is made, they are safe to share their experiences In 2016, some 350 children were assess ed for possible abuse, most of them sexual abuse cases along with child physical abuse, dr ug-endangered children, exposure to domestic violence, and neglect Even if suspected abus e is not verified during an exam, families leave CARES with professional recommendations r anging from a follow-up with a primary care physician, or a referral for counseling CARES follows the family for at least three months after the assessment Sky Lakes contributes $ 10,000 a year and provides staff to help coordinate and provide collateral support in the way of additional multi-media advertising to further the message of the local "Stop the Hu rt" anti-child abuse campaign and "Periods of PURPLE Crying" anti-shaken baby campaign Th e programs are aimed at stopping Incidents of infant and child abuse at the hands of adult s In addition, Klamath County is a physician-shortage area so physician recruitment effort s are also underwritten by the medical center rather than local medical practices incurrin g that expense The medical center invests hundreds of thousands of dollars in recruiting activities and some $4 million in clinic start-up and support Sky Lakes provides free educ ation in or for the schools through its partnership with Oregon State University Extension 's Nutrition Education Program And a number of Sky Lakes employees provide volunteer educ ational support in the form of teaching, mentoring, program development, and tours and dem onstrations for local schools and colleges To promote more physical activity among young p eople, Sky Lakes provided all area third-graders swimming lessons at the city of Klamath F alls-owned municipal swimming pool over a four-year span Sky Lakes encourages staff to see k opportunities to improve the health of the community beyond their normal duties Among th em A Sky Lakes Outpatient Care Management employee helps put on classes at the local Senio r Center promoting mental fitness and agility,Sky Lakes dietitians share their knowledge w ith participants of a bariatric support group,Sky Lakes diabetes educators regularly prese nt to community groups how to prevent diabetes and how to recognize prediabetes,A Sky Lake s employee seeking her master's degree conducted education sessions regarding shopping and label reading, and cooking demonstrations centere

Form and Line Reference	Explanation
Part VI, Line 5	d on better nutrition choices Sky Lakes Emergency Department physicians, nurses and staff donated nearly 500 hours again this year to assist the more than 15 community-partner agen cies put on Operation Prom Night and support its mission of prevention The program's aim i s to help young adults realize the dangers of distracted driving The performance the agen cies orchestrate around the spring prom season for area high school students illustrates a grim reality Distracted driving driving under the influence of alcohol or drugs, texting , or simply not paying attention accounts for the deaths of hundreds young drivers annuall y Sky Lakes takes an active role in the development of programs to help provide mental hea lth and substance-disorder services for the community The Local A lcohol and Drug Planning Committee evaluates the availability of treatment programs and enhances communication amo ng providers to improve access to treatment and support for recovery and prevention servic es Sky Lakes helped build four tennis courts that will serve the population primarily in t he southeast suburbs Sky Lakes willingly contributes to projects and enthusiastically spo nsors an assortment of events and programs to encourage increased physical activity Sky L akes is the title sponsor of the Kingsley Field Duathlons organized by the Kingsley Field Junior Enlisted Council Sky Lakes sponsors the fall and spring Healthy Kids Running Serie s, a five-week running program at a local elementary school for kids from pre-K to eighth grade To help motivate people to be more physically active, Sky Lakes works with community partners to develop projects that will make it easier to get outside Sky Lakes donated $ 25,000 to the Klamath Trails Alliance to add three miles to a fully accessible trail on Sp ence Mountain Sky Lakes managed a grant for and contributed to a handicap-friendly trail on the hillside between the medical center and Oregon Tech Sky Lakes is providing leaders hip on a project that aims to create a protected bike lane between downtown Klamath Falls and Moore Park Completion of the trails will mean more opportunities for quality outdoor experiences in nearby mountains and close to the urban area, and a protected bike lane wou ld encourage safe bicycle ridership Physical activity contributes to health and well-bein g Similarly, Sky Lakes provided $300,000 funding and management to create a children's pla y area within Kit Carson Park, part of the Klamath Falls park system Sky Lakes committed t o a three-year, $600,000 gift ($200,000 per year), leveraging an additional $1 2 million g ift from the Cambia Health Foundation and launched the Blue Zones Project that will help K lamath Falls be a healthier community Klamath Falls is the first Blue Zone community in th e Pacific Northwest, and Sky Lakes is the first designated Blue Zones Worksite in Klamath Falls Being a major supporter of the Oregon Healthiest State to help Klamath Falls become the first Blue Zones demonstration community in the Northwest, and investing in the Blue Z ones Project locally, Sky Lakes demonstrated its commitment to improving our community's h ealth Achieving the designation as the first Blue Zones worksite in the Northwest demonstr ates our commitment to creating a healthier work environment by supporting the well-being of our employees

Form and Line Reference	Explanation
Part VI, Line 6	Other partnerships help ensure the success of programs such as Klamath-Lake Community Action Services Program by donating material for its program to provide qualifying individuals and families access to medical and dental care, hygiene resources and the like,The Klamath County Relay for Life by contributing $2,500 in funding and in-kind support for the event that raises cancer-research funds,The Red Cross by giving at no-charge space in Sky Lakes facilities for community blood drives and spearheading a fundraising drive for a new Bloodmobile, contributing the first $50,000,Klamath Hospice's Camp Evergreen by providing emergency medications for camp nurses, and individual water bottles for participants to promote proper hydration,Medical missions to Central America by donating medications and related supplies,The local YMCA by providing $7,500 in funding to enhance a playground on the site with additional play structures for children and benches for adults to encourage use,The local chapters of the March of Dimes, Muscular Sclerosis organizations, Friends of the Children-Klamath Falls, and the local CASA (Court Appointed Special Advocates) by contributing thousands of dollars each to support their missions,The American Lung Association's Freedom From Smoking classes by providing training for educators, free meeting space for the classes, and marketing materials and advertising buys to promote the classes and their intent Some of the other Sky Lakes community partnerships include American Association of University WomenAmerican Cancer societyAmerican Lung AssociationBike to Work OregonKlamath Falls Gospel MissionHealthy Active KlamathKlamath Falls City Schools and studentsKlamath County School District and studentsKlamath Community College and studentsKlamath County CASAKlamath County Chamber of CommerceKlamath Crisis CenterKlamath Fire Prevention CooperativeKlamath HospiceKlamath-Lake Food BankKlamath Tribal Health and Family ServicesOregon Air National Guard at Kingsley FieldOregon Institute of Technology and Students (clinical precepting, etc)Oregon Tech Veterans AssociationKlamath Basin Research and Extension CenterPregnancy Hope CenterSanford Health FoundationUnited Way Of The Klamath BasinArea 4-H ProgramsCitizens For Safe SchoolsKlamath PromiseElla Redkey Municipal Swimming PoolKlamath Falls Little League And Babe Ruth BaseballKlamath Trails AllianceSage Brush Rendezvous (a fundraiser for American Cancer Society and area charities)Klamath Basin United SoccerKlamath Ice SportsKlamath-Lake Food Bank

Form and Line Reference	Explanation
Part VI, Line 7, Reports Filed With States	OR

Additional Data

Software ID:
Software Version:
EIN: 93-0508781
Name: Sky Lakes 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	SKY LAKES MEDICAL CENTER 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 skylakes org 14-0724	X	X		X			X			

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

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	1 - Outpatient Imaging 2900 Daggett Avenue Klamath Falls, OR 97601	Outpatient diagnostic imaging center
1	2 - Cancer Treatment Center 2610 Urhman Klamath Falls, OR 97601	Medical clinic
2	3 - Family Practice Clinic 2617 Almond Street Klamath Falls, OR 97601	Medical clinic
3	4 - Family Medicine Residency 2801 Daggett Avenue Klamath Falls, OR 97601	Medical clinic & Medical Residency Pgm
4	5 - MEDICAL OFFICE BUILDING I 2200 Bryant Williams Drive Klamath Falls, OR 97601	Medical clinic
5	6 - MEDICAL OFFICE BUILDING II 3000 Bryant Williams Drive Klamath Falls, OR 97601	Medical clinic
6	7 - Center for Occupational Health 2621 Crosby Avenue Klamath Falls, OR 97603	Rehabilitation services, home health services, Employee Assistance Program
7	8 - Adult Medicine & Family Practice 3001 Daggett Avenue Klamath Falls, OR 97601	Medical clinics
8	9 - Family Practice Clinic 1905 Main Klamath Falls, OR 97601	Medical clinic
9	10 - MEDICAL OFFICE BUILDING III 2680 Uhrmann Road Klamath Falls, OR 97601	Medical clinic
10	11 - Urology Clinic 2630 Campus Drive Klamath Falls, OR 97601	Medical clinic
11	12 - Pulmonary Medicine 2301 Clairmont Klamath Falls, OR 97601	Medical clinic
12	13 - Hugh Currin House 2601 Daggett Avenue Klamath Falls, OR 97601	Residential facility for families undergoing care
13	14 - Community HealthEducation 2200 North Eldorado Avenue Klamath Falls, OR 97601	Community education facility
14	15 - Family Practice Clinic 2600 Clover Klamath Falls, OR 97601	Medical clinic

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

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)
16 16 - Wellness Center 128 South 11th Street Klamath Falls, OR 97601	Medical clinic

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Sky Lakes Medical Center

Employer identification number
93-0508781

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000 Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 13

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

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22
Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EMPLOYEE STUDENT LOAN FORGIVENESS	1	14,327			
(2) EXTERNSHIP STIPENDS	4	13,200			
(3) STUDENT LOAN ASSISTANCE TO EMPLOYEES	12	35,343			
(4) PATIENT ASSISTANCE	201	75,144			

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

Return Reference	Explanation
Part I, Line 2	The Board of Directors makes decisions on large grant awards Scholarship awards are based on a written policy Other Stipends and educational support require, respectively, worked hours or minimum grading criteria Patient Assistance grants are based on assessment of need by assigned personnel

Additional Data

Software ID:
Software Version:
EIN: 93-0508781
Name: Sky Lakes 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
Klamath County School District 10501 Washburn Way Klamath Falls, OR 97603	93-6000543	170(c)(1)	18,000				HOSA Program Assistance
Klamath Falls Gospel Mission 823 Walnut Avenue Klamath Falls, OR 97601	93-0514720	501(c)(3)	50,000				New Building
Cascade Region Red Cross 3131 N Vancouver Avenue Klamath Falls, OR 97227	53-0196605	501(c)(3)	50,000				New Blood Mobile

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
Klamath Trails Alliance PO Box 349 Klamath Falls, OR 97601	46-0879155	501(c)(3)	25,500				Multipurpose paths for community
Klamath Lake County Food Bank 3231 Maywood Klamath Falls, OR 97601	93-0873280	501(c)(3)	15,000				Feed the hungry
Friends of the Children 3837 Altamont Drive Klamath Falls, OR 97603	93-1290284	501(c)(3)	13,800				Help Children

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
YMCA of Klamath Falls 1221 S Alameda Avenue Klamath Falls, OR 97601	93-0386978	501(c)(3)	7,000				Help Children
University of Oregon 1585 E 13th Avenue Eugene, OR 97403	46-2727800	170(c)(1)	16,500				Promote Education
Klamath Basin Senior Center 2045 Arthur Street Klamath Falls, OR 97601	46-0716639	501(c)(3)	10,000				Help Seniors

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
Favell Museum 125 W Main Street Klamath Falls, OR 97601	20-0524744	501(c)(3)	6,000				Promote Education
Citizens for Safe Schools 2316 S 6th Street Klamath Falls, OR 97601	93-1292596	501(c)(3)	20,000				Child Safety
City of Klamath Falls 222 S 6th Street Klamath Falls, OR 97601	93-6002195	170(c)(1)	15,700				Help Community

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
Casa for Children of Klamath County 731 Main Street Suite 202 Klamath Falls, OR 97601	93-1261640	501(c)(3)	7,500				Help Children

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" 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
Sky Lakes Medical Center

Employer identification number
93-0508781

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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**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			
	☑ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," on line 6a or 6b, describe in Part III			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported on Form 990, Part VII, paid or accured 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
		Base (i) compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PAUL R STEWART PRESIDENT/CEO/SECRETARY/TREASURER	(i)	375,341	240,000	0	28,296	15,012	658,649	0
	(ii)	0	0	0	0	0	0	0
2 RICHARD E RICOVP/CFO	(i)	362,126	68,318	0	28,971	20,468	479,883	0
	(ii)	0	0	0	0	0	0	0
3 SHAUN C SPALDING MEDICAL PROVIDER	(i)	448,798	0	0	0	20,468	469,266	0
	(ii)	0	0	0	0	0	0	0
4 JARED OGAO MD MEDICAL PROVIDER	(i)	449,400	0	0	13,250	20,468	483,118	0
	(ii)	0	0	0	0	0	0	0
5 RICHARD A DEVORE MD MEDICAL PROVIDER	(i)	452,597	0	0	13,250	20,708	486,555	0
	(ii)	0	0	0	0	0	0	0
6 J ERIC BRUNSWICK MD MEDICAL PROVIDER	(i)	462,427	0	0	0	17,812	480,239	0
	(ii)	0	0	0	0	0	0	0
7 STANTON T SMITH MD MEDICAL PROVIDER	(i)	507,673	0	0	13,250	20,468	541,391	0
	(ii)	0	0	0	0	0	0	0

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

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Schedule K (Form 990)

Department of the Treasury

Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990.

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Sky Lakes Medical Center

Employer identification number
93-0508781

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	KLAMATH FALLS INTERCOMMUNITY HOSPITAL AUTHORITY	93-1061020	498413EF6	11-29-2012	18,288,334	REFUNDING OF 2002 BONDS, ENERGY EFFICIENCY costs, reserve fund		X		X		X
B	KLAMATH FALLS INTERCOMMUNITY HOSPITAL AUTHORITY	93-1061020	498413FR9	06-23-2016	59,146,386	Refunding of 2006 bonds, new Medical Office Buildings, parking facilities		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,839,000	983,000		
2	Amount of bonds legally defeased	11,772,436			
3	Total proceeds of issue	18,288,334	59,146,386		
4	Gross proceeds in reserve funds	59,879			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	257,477	846,856		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	6,198,542	25,000,000		
11	Other spent proceeds		33,299,530		
12	Other unspent proceeds				
13	Year of substantial completion	2013	2016		

		A		B		C		D	
		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?								
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 ▶		0 %		0 %				
6	Total of lines 4 and 5		0 %		0 %				
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?								
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								
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								
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).

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule L (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
Sky Lakes Medical Center

Employer identification number
93-0508781

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
PAUL R (1) STEWART	PRES/CEO	LIFE INSURANCE POLICY PURCHASE		X	600,000	630,383		No	Yes		Yes	
Total		▶ $				630,383						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 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	Employer identification number
Sky Lakes Medical Center	93-0508781

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	Form 990 is reviewed by the Controller, CFO, CEO and other staff before filing

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	It is the duty of the Board of Directors of Sky Lakes Medical Center to safeguard the tax exempt status of Sky Lakes Medical Center, and as such the board will take seriously any conflict of interest on the part of any board member or potential board member. All board members and potential members must disclose the existence of any actual or potential conflict of interest. An updated statement of such potential conflicts shall be submitted yearly by all board members for review at the board's annual meeting. After disclosure of the potential conflict of interest and after any discussion with the interested party, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists. The minutes of the board and all committees of the board shall contain 1) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, 2) the nature of the financial interest, 3) the names of the persons who were present for the discussions and votes relating to the transaction or arrangement, 4) the content of the discussion including any alternatives to the proposed transaction or arrangement, 5) any action taken to determine whether a conflict of interest was present, and, 6) the board or committee's decision as to whether a conflict of interest in fact existed. Sky Lakes Medical Center requires that all employees disclose any conflict of interest, actual or potential, in the manner described by policy. Any employee who believes that he or she may have a conflict of interest, actual or potential, is required to report all pertinent information to the employee's supervisor for evaluation. A conflict or potential conflict is deemed to exist when the actions or activities of an employee on behalf of the Sky Lakes Medical Center also include some element of, or potential for, (1) personal gain or advantage to the employee or members of the employee's family, (2) an adverse effect on the Medical Center's interests, or (3) improper gain or advantage to a third party. If any employee has a question or concern regarding a possible conflict of interest, it is expected that he or she shall consult with management and/or the Corporate Integrity Officer. The Corporate Integrity Committee shall have the final say in determining whether a conflict exists. Employees with a potential conflict of interest may not participate in any process leading to the approval or disapproval of the transaction creating the conflict, and may not directly or indirectly attempt to influence the decision-making process. Employees that fail to disclose potential conflicts of interest and/or avoid direct or indirect influence in accordance with policy are appropriately disciplined

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	The compensation committee of the board of directors reviews comparative data for the CEO For the CEO position only, the Evaluation Committee completes a personnel action form, which is signed by the board chair for all VP positions, all evaluations are made by the CEO, based on a review of market data This process was last undertaken in April 2016

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Governing documents, conflict of interest policy and financial statements are all made available to the public upon request

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, line 9	BOOK/TAX DIFFERENCE from PASSTHROUGH INCOME -22,867

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Sky Lakes Medical Center

Employer identification number
93-0508781

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) SOUTHERN OREGON EMERGENCY CARE LLC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 61-1595709	PHYSICIAN SERVICES	OR	0	0	SKY LAKES MEDICAL CENTER

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	(g) Section 512(b)(13) controlled entity? No
(1)SKY LAKES MEDICAL CENTER FOUNDATION 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 93-0946020	FUNDRAISING AND STEWARDSHIP, SUPPORT MEDICAL CENTER	OR	501(c)(3)	Line 11a, I	SKY LAKES MEDICAL CENTER		No
(2)Klamath Care Services Inc 2865 DAGGETT AVENUE kLAMATH FALLS, OR 97601 93-0946018	SUPPORT MEDICAL CENTER (INACTIVE)	OR	501(c)(3)	Line 11c, III-FI	SKY LAKES MEDICAL CENTER		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) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) KLAMATH MEDICAL BUSINESS CENTER LLC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 02-0731372	REAL AND PERSONAL PROPERTY RENTAL	OR	SKY LAKES MEDICAL CENTER	INVESTMENT	86,608	553,615		No	7,176	Yes		50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) WEST PHYSICIAN SERVICES LLC 2865 daggett avenue klamath falls, OR 97601 87-0696029	PHYSICIAN SERVICES	OR	SKY LAKES MEDICAL CENTER	C	-4,307,439	2,772,221	100 000 %	Yes	

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

		Yes	No
1	During the tax year, did the orgranization 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**	**Yes**	
d	Loans or loan guarantees to or for related organization(s)	**1d**	**Yes**	
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**		**No**
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**	**Yes**	
m	Performance of services or membership or fundraising solicitations by related organization(s)	**1m**	**Yes**	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1n**	**Yes**	
o	Sharing of paid employees with related organization(s)	**1o**	**Yes**	
p	Reimbursement paid to related organization(s) for expenses	**1p**		**No**
q	Reimbursement paid by related organization(s) for expenses	**1q**	**Yes**	
r	Other transfer of cash or property to related organization(s)	**1r**		**No**
s	Other transfer of cash or property from related organization(s)	**1s**		**No**

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)WEST PHYSICIAN SERVICES LLC	D	376,015	INCREASE IN LIABILITY
(2)KLAMATH MEDICAL BUSINESS CENTER LLC	K	124,590	CASH TRANSFERRED

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation