

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493312015397

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2016

Open to Public Inspection

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

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

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

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning 01-01-2016 , and ending 12-31-2016

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final

☒ Return/terminated

☐ Amended return

☐ Application pending

C Name of organization

Bozeman Deaconess Health Services

Doing business as

Bozeman Health

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

915 Highland Boulevard

Room/suite

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

Bozeman, MT 59715

F Name and address of principal officer

Gordon Davidson

915 Highland Boulevard

Bozeman, MT 59715

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

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

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

H(c) Group exemption number ▶

D Employer identification number

81-0232121

E Telephone number

(406) 585-5000

G Gross receipts \$

80,501,997

I Tax-exempt status

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

J Website: ▶

www.bozemanhealth.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

1911

M State of legal domicile

MT

Part I Summary

Activities & Governance

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

To improve community health and quality of life for residents and visitors of the Bozeman, MT area

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

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

11

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

10

5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)

530

6 Total number of volunteers (estimate if necessary)

269

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

863,990

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

-87,183

Revenue

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

1,360,972

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

243,243,458

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

4,015,698

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

521,110

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

249,141,238

Expenses

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

623,600

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

0

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

117,496,661

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

0

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

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

117,186,530

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

235,306,791

19 Revenue less expenses Subtract line 18 from line 12

13,834,447

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

404,683,357

21 Total liabilities (Part X, line 26)

115,530,049

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

289,153,308

Prior Year

Current Year

Beginning of Current Year

End of Year

Part II Signature Block

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

Sign Here

Signature of officer

Gordon Davidson VP of Finance/CFO

Type or print name and title

2017-10-31

Date

Paid Preparer Use Only

Print/Type preparer's name

Kim Hunwardsen CPA

Preparer's signature

Kim Hunwardsen CPA

Date

2017-10-31

Check ☐ if self-employed

PTIN

P00484560

Firm's name ▶

Eide Bailly LLP

Firm's EIN ▶

45-0250958

Firm's address ▶

800 Nicollet Mall Ste 1300

Phone no

(612) 253-6500

Minneapolis, MN

554027033

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2016)

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

To improve community health and quality of life

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

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

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

If "Yes," describe these changes on Schedule O

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

| | | | | |
|---------------------|---------|-------------------------|------------------------|--------------------------|
| 4a | (Code) | (Expenses \$ 30,182,757 | including grants of \$ | (Revenue \$ 26,623,692) |
| See Additional Data | | | | |

| | | | | |
|---------------------|---------|------------------------|------------------------|-------------------------|
| 4b | (Code) | (Expenses \$ 8,954,796 | including grants of \$ | (Revenue \$ 8,000,925) |
| See Additional Data | | | | |

| | | | | |
|---------------------|---------|-------------------------|----------------------------------|--------------------------|
| 4c | (Code) | (Expenses \$ 28,811,478 | including grants of \$ 468,139) | (Revenue \$ 44,146,828) |
| See Additional Data | | | | |

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

| | | |
|-----------|---|------------|
| 4e | Total program service expenses ▶ | 67,949,031 |
|-----------|---|------------|

Part IV Checklist of Required Schedules

| | Yes | No |
|--|----------------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | 1 Yes | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? | 2 Yes | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 3 | No |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | 4 Yes | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | 5 | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | 6 | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | 7 | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | 8 | No |
| 9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | 9 | No |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V | 10 Yes | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | 11a Yes | |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | 11b | No |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | 11c Yes | |
| 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 |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|----------------|----|
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | 20a Yes | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b Yes | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 Yes | |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | 22 | No |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | 23 Yes | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | 24a Yes | |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | 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? <i>If "Yes," complete Schedule L, Part I</i> | 25a | No |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | 25b | No |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> | 26 | No |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | 27 | No |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28a | No |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28b | No |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | 28c | No |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | 29 | No |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | 30 | No |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | 31 | No |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | 32 Yes | |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | 33 Yes | |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | 34 Yes | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a Yes | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 35b Yes | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 36 | No |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | 37 | No |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | 38 Yes | |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

| | | Yes | No |
|------------|--|------------|-----|
| 1a | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable | 1a | 89 |
| 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 | 530 |
| 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 | | |
| | 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 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | No |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | No |
| 6 | Did the organization have members or stockholders? | | 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? | Yes | |
| b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | Yes | |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | Yes | |
| b | Each committee with authority to act on behalf of the governing body? | | No |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O. | | No |

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

| | | Yes | No |
|------------|--|-----|----|
| 10a | Did the organization have local chapters, branches, or affiliates? | | 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? | | |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | Yes | |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13. | Yes | |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 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. | Yes | |
| 13 | Did the organization have a written whistleblower policy? | Yes | |
| 14 | Did the organization have a written document retention and destruction policy? | 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. | Yes | |
| b | Other officers or key employees of the organization. | 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? | 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? | Yes | |

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you 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.

► Gordon Davidson 915 Highland Blvd Bozeman, MT 59715 (406) 585-1036

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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) Julie Jackson Chair | 1 00 1 00 | X | | X | | | | 0 | 0 | 0 |
| (2) Brian Brown 1st Vice Chair | 1 00 1 00 | X | | X | | | | 0 | 0 | 0 |
| (3) Katie Daughenbaugh 2nd Vice Chair | 1 00 1 00 | X | | X | | | | 0 | 0 | 0 |
| (4) Dr Dane Sobek Secretary/Cardiologist | 50 00 1 00 | X | | X | | | | 614,610 | 0 | 59,989 |
| (5) Dennis Munson Treasurer | 1 00 1 00 | X | | X | | | | 0 | 0 | 0 |
| (6) John Murdoch Treasurer (Jan-Jun) | 1 00 1 00 | X | | X | | | | 0 | 0 | 0 |
| (7) Kerri Brown Trustee | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (8) Jerry Cashman Director | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (9) Rev Dave McConnell Director | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (10) Kerry Pettitt Director | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (11) Walt Sales Director | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (12) Robert Watson Director | 1 00 1 00 | X | | | | | | 0 | 0 | 0 |
| (13) John Hill President/CEO (Aug-Dec) | 35 00 15 00 | | | X | | | | 270,822 | 0 | 9,340 |
| (14) Gordon Davidson Interim CEO (Jan-Aug)/VP Finance/CFO | 15 00 35 00 | | | X | | | | 494,253 | 0 | 61,385 |
| (15) David Chen MD Interim CEO (Jan-Aug)/CMO | 15 00 35 00 | | | X | | | | 481,497 | 0 | 56,465 |
| (16) Elizabeth Lewis COO | 50 00 0 00 | | | | X | | | 315,602 | 0 | 55,913 |
| (17) Annie Castillo MD Oncology | 50 00 0 00 | | | | | X | | 547,775 | 0 | 18,448 |

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 | | | |
| (18) Blair Erb MD Cardiology | 50 00 0 00 | | | | | X | | 560,943 | 0 | 54,110 |
| (19) Nathaniel Madsen MD Cardiology | 50 00 0 00 | | | | | X | | 625,505 | 0 | 56,657 |
| (20) Hugh Hetherington MD Otolaryngology/Plastic Surgery | 50 00 0 00 | | | | | X | | 498,133 | 0 | 63,644 |
| (21) Ken May MD Oncology | 50 00 0 00 | | | | | X | | 549,337 | 0 | 26,755 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-Total | | | | | | | | | | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | 4,958,477 | 0 | 462,706 |

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 ► 119

| | Yes | No |
|--|--------------|----|
| 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 3 | 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? <i>If "Yes," complete Schedule J for such individual</i> | 4 Yes | |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | 5 | No |

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|--------------------------------|---------------------|
| Absaroka Emergency Physicians 1184 N 15th Street Suite 1 Bozeman, MT 59715 | ER Physicians Fee | 4,511,616 |
| Drinker Biddle & Reath LLP One Logan Square Ste 2000 Philadelphia, PA 191036996 | Legal Services | 744,221 |
| Marjan and Associates 1333 East Maryland Ln Laurel, MT 59044 | Legacy AR Management | 513,101 |
| Witt Kieffer Inc 2015 Spring Rd Ste 510 Oak Brook, IL 60523 | Recruiting Services | 220,384 |
| Trusthcs 2042 Brentwood Blvd Ste A Springfield, MO 65804 | Coding Services | 213,462 |

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 ► 12

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 | 1,543,224 | | | |
| | e Government grants (contributions) | 1e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | |
| | g Noncash contributions included in lines 1a-1f \$ _____ | | | | | |
| | h Total. Add lines 1a-1f ▶ | | 1,543,224 | | | |
| Program Service Revenue | | | Business Code | | | |
| | 2a Hlth System Corp Servi | | 900099 | 37,608,137 | 37,608,137 | |
| | b Hlth System Physician | | 622110 | 28,623,692 | 28,623,692 | |
| | c Patient Service Revenue | | 622110 | 6,929,837 | 6,929,837 | |
| | d Pharmacy Revenue | | 446110 | 1,016,459 | 152,469 | 863,990 |
| | e _____ | | | | | |
| | f All other program service revenue | | | 4,593,320 | 4,593,320 | |
| g Total. Add lines 2a-2f ▶ | | 78,771,445 | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) ▶ | | 26,821 | | | 26,821 |
| | 4 Income from investment of tax-exempt bond proceeds ▶ | | | | | |
| | 5 Royalties ▶ | | | | | |
| | 6a Gross rents | (i) Real (ii) Personal | | | | |
| | | 160,507 | | | | |
| | b Less rental expenses | 0 | | | | |
| | c Rental income or (loss) | 160,507 | | | | |
| | d Net rental income or (loss) ▶ | | 160,507 | | | 160,507 |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities (ii) Other | | | | |
| | | | | | | |
| | b Less cost or other basis and sales expenses | | 24,062 | | | |
| | c Gain or (loss) | | -24,062 | | | |
| | d Net gain or (loss) ▶ | | -24,062 | | | -24,062 |
| | 8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a | | | | | |
| | b Less direct expenses b | | | | | |
| | c Net income or (loss) from fundraising events . . . ▶ | | | | | |
| | 9a Gross income from gaming activities See Part IV, line 19 a | | | | | |
| b Less direct expenses b | | | | | | |
| c Net income or (loss) from gaming activities . . . ▶ | | | | | | |
| 10a Gross sales of inventory, less returns and allowances . . . a | | | | | | |
| | | | | | | |
| b Less cost of goods sold . . . b | | | | | | |
| c Net income or (loss) from sales of inventory . . . ▶ | | | | | | |
| Miscellaneous Revenue | | Business Code | | | | |
| 11a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d ▶ | | | | | | |
| 12 Total revenue. See Instructions ▶ | | | 80,477,935 | 77,907,455 | 863,990 | 163,266 |

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. | 468,139 | 468,139 | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 2,390,050 | 667,346 | 1,722,704 | |
| 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. | 42,373,638 | 39,187,138 | 3,186,500 | |
| 8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions). | 1,418,454 | 1,409,758 | 8,696 | |
| 9 Other employee benefits. | 3,996,903 | 3,171,249 | 825,654 | |
| 10 Payroll taxes. | 2,329,493 | 2,005,147 | 324,346 | |
| 11 Fees for services (non-employees): | | | | |
| a Management. | | | | |
| b Legal. | 1,224,671 | 19,224 | 1,205,447 | |
| c Accounting. | 113,080 | 106,774 | 6,306 | |
| d Lobbying. | 56,400 | | 56,400 | |
| 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). | 7,640,169 | 4,520,844 | 3,119,325 | |
| 12 Advertising and promotion. | 1,305,869 | 1,222,473 | 83,396 | |
| 13 Office expenses. | 392,114 | 344,129 | 47,985 | |
| 14 Information technology. | | | | |
| 15 Royalties. | | | | |
| 16 Occupancy. | 1,202,443 | 895,338 | 307,105 | |
| 17 Travel. | 163,810 | 90,254 | 73,556 | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | 109,207 | 60,170 | 49,037 | |
| 20 Interest. | 1,383,603 | 1,383,603 | | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 5,020,054 | 5,020,054 | | |
| 23 Insurance. | 1,891,525 | 49,701 | 1,841,824 | |
| 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 Equipment Rent & Mainte | 5,289,138 | 5,176,395 | 112,743 | |
| b Medical Supplies | 1,256,733 | 1,252,294 | 4,439 | |
| c Provision for Bad Debts | 718,158 | 718,158 | | |
| d Taxes & Licenses | 63,989 | 23,401 | 40,588 | |
| e All other expenses | 372,164 | 157,442 | 214,722 | |
| 25 Total functional expenses. Add lines 1 through 24e. | 81,179,804 | 67,949,031 | 13,230,773 | 0 |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

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

| | | | | (A) Beginning of year | | (B) End of year |
|------------------------------------|--|--|-------------|--------------------------|-------------|--------------------|
| Assets | 1 | Cash—non-interest-bearing | | | 1 | |
| | 2 | Savings and temporary cash investments | | 21,687,710 | 2 | 14,411,732 |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 34,374,057 | 4 | 8,116,201 |
| | 5 | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L. | | | 5 | |
| | 6 | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L. | | | 6 | |
| | 7 | Notes and loans receivable, net | | 401,518 | 7 | 33,478 |
| | 8 | Inventories for sale or use | | 6,977,267 | 8 | 256,339 |
| | 9 | Prepaid expenses and deferred charges | | 1,810,883 | 9 | 1,153,203 |
| | 10a | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D. | 10a | 75,379,236 | | |
| | b | Less: accumulated depreciation | 10b | 21,328,644 | | |
| | | | | 168,927,617 | 10c | 54,050,592 |
| | 11 | Investments—publicly traded securities | | 126,050,801 | 11 | 3,955,714 |
| | 12 | Investments—other securities. See Part IV, line 11 | | 22,646 | 12 | |
| | 13 | Investments—program-related. See Part IV, line 11 | | 16,078,906 | 13 | 13,356,233 |
| | 14 | Intangible assets | | 10,493,626 | 14 | 9,725,021 |
| 15 | Other assets. See Part IV, line 11 | | 17,858,326 | 15 | 6,042,844 | |
| 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 404,683,357 | 16 | 111,101,357 | |
| Liabilities | 17 | Accounts payable and accrued expenses | | 31,975,864 | 17 | 18,459,364 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | 423,116 | 19 | |
| | 20 | Tax-exempt bond liabilities | | 62,528,669 | 20 | 22,063,092 |
| | 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 | | 3,088,675 | 23 | 9,050,000 |
| | 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. | | 17,513,725 | 25 | 8,063,310 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 115,530,049 | 26 | 57,635,766 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | 282,036,280 | 27 | 52,357,699 |
| | 28 | Temporarily restricted net assets | | 5,411,160 | 28 | 1,107,892 |
| | 29 | Permanently restricted net assets | | 1,705,868 | 29 | 0 |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | 289,153,308 | 33 | 53,465,591 |
| | 34 | Total liabilities and net assets/fund balances | | 404,683,357 | 34 | 111,101,357 |

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

| | | | |
|-----------|---|-----------|--------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 80,477,935 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 81,179,804 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | -701,869 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 289,153,308 |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -234,985,848 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 53,465,591 |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

| | Yes | No |
|--|-----|----|
| 1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | No |
| b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | Yes | |
| c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | No |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | | |

Additional Data

Software ID:

Software Version:

EIN: 81-0232121

Name: Bozeman Deaconess Health Services

Form 990 (2016)

Form 990, Part III, Line 4a:

Bozeman Health Medical Group employs physicians under the Bozeman Health system umbrella. This group of providers compassionately serves the patients of Bozeman Health Deaconess Hospital, Big Sky Medical Center and Bozeman Health Urgent Care.

Form 990, Part III, Line 4b:

In efforts to reach our community and surrounding area in multiple facets of healthcare, the Bozeman Health system operates additional healthcare facilities which allows more access and levels of care Bozeman Health opened a 4 licensed bed hospital in Big Sky in December 2015 With a full year in operations, the Emergency Room saw over 3,100 patients in 2016 About 39% of those patients were fixed payor sources of Medicare/Medicaid or self-insured without insurance Due to this patient demographic over 48% of the \$5,925,160 patient charges were uncollectible Operating expenses ran at \$9,511,009 in this first year of operations Together with other and non-operating income, the hospital netted a (\$3,982,046) for the year Bozeman Health is committed to providing access and patient care to the Big Sky community in spite of the financial operational challenge this first year Bozeman Health also continues to operate our Main Street Urgent Care as an outpatient healthcare access point In 2016, of the \$5,333,841 patient charges, over 43% were written off as uncollectible With \$3,873,654 in operational expenses, the Urgent Care netted a loss of (\$721,967)

Form 990, Part III, Line 4c:

Bozeman Health serves as the parent company of the Bozeman Health system. As the corporate parent, management, general and administrative services are centralized here and provided to the operating units caring for our patients. These administrative and support services aim to optimize executive, organizational and financial responsibilities to allow the health system to continue to grow and serve the population. In this past year, Bozeman Health had 18,495 inpatient days, 165,199 outpatient hospital visits, 230,011 outpatient clinic visits, 35,640 emergency room visits and performed 6,712 surgeries.

| | | |
|---|--|---|
| SCHEDULE A (Form 990 or 990-EZ) | 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 2016 Open to Public Inspection |
| | Department of the Treasury Internal Revenue Service Name of the organization Bozeman Deaconess Health Services | Employer identification number 81-0232121 |

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.
The organization is not a private foundation because it is (For lines 1 through 12, check only one box)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ))
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 ☐ An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 11 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s) _____

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

| Section A. Public Support | | | | | | |
|--|---------|---------|---------|---------|-----------|----------|
| Calendar year (or fiscal year beginning in) ▶ | (a)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (f)Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4 | | | | | | |
| Section B. Total Support | | | | | | |
| Calendar year (or fiscal year beginning in) ▶ | (a)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (f)Total |
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income (Do not include gain or loss from the sale of capital assets (Explain in Part VI.)) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/> | | | | | | |
| Section C. Computation of Public Support Percentage | | | | | | |
| 14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) | | | | | 14 | |
| 15 Public support percentage for 2015 Schedule A, Part II, line 14 | | | | | 15 | |
| 16a 33 1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | | | | |
| b 33 1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | | | | |
| 17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | | | | |
| b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | | | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/> | | | | | | |

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (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)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (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 2016 (line 8, column (f) divided by line 13, column (f)) | 15 | |
| 16 Public support percentage from 2015 Schedule A, Part III, line 15 | 16 | |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|--|
| 17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) | 17 | |
| 18 Investment income percentage from 2015 Schedule A, Part III, line 17 | 18 | |

19a 33 1/3% support tests—2016. 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—2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

| | | |
|---|--|--|
| 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions) | | |
| a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions). | | |
| 2 Activities Test Answer (a) and (b) below. | | |
| a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i> | | |
| 2a | | |
| b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i> | | |
| 2b | | |
| 3 Parent of Supported Organizations Answer (a) and (b) below. | | |
| a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i> | | |
| 3a | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i> | | |
| 3b | | |

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

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

Section A - Adjusted Net Income

| | (A) Prior Year | (B) Current Year (optional) |
|---|----------------|--------------------------------|
| 1 Net short-term capital gain | 1 | |
| 2 Recoveries of prior-year distributions | 2 | |
| 3 Other gross income (see instructions) | 3 | |
| 4 Add lines 1 through 3 | 4 | |
| 5 Depreciation and depletion | 5 | |
| 6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | |
| 7 Other expenses (see instructions) | 7 | |
| 8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4) | 8 | |

Section B - Minimum Asset Amount

| | (A) Prior Year | (B) Current Year (optional) |
|---|----------------|--------------------------------|
| 1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year) | 1 | |
| a Average monthly value of securities | 1a | |
| b Average monthly cash balances | 1b | |
| c Fair market value of other non-exempt-use assets | 1c | |
| d Total (add lines 1a, 1b, and 1c) | 1d | |
| e Discount claimed for blockage or other factors (explain in detail in Part VI) | | |
| 2 Acquisition indebtedness applicable to non-exempt use assets | 2 | |
| 3 Subtract line 2 from line 1d | 3 | |
| 4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions) | 4 | |
| 5 Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | |
| 6 Multiply line 5 by .035 | 6 | |
| 7 Recoveries of prior-year distributions | 7 | |
| 8 Minimum Asset Amount (add line 7 to line 6) | 8 | |

Section C - Distributable Amount

| | | Current Year |
|---|----------|--------------|
| 1 Adjusted net income for prior year (from Section A, line 8, Column A) | 1 | |
| 2 Enter 85% of line 1 | 2 | |
| 3 Minimum asset amount for prior year (from Section B, line 8, Column A) | 3 | |
| 4 Enter greater of line 2 or line 3 | 4 | |
| 5 Income tax imposed in prior year | 5 | |
| 6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions) | 6 | |
| 7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) | | |

Part V

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

| Section D - Distributions | Current Year |
|--|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | |
| 4 Amounts paid to acquire exempt-use assets | |
| 5 Qualified set-aside amounts (prior IRS approval required) | |
| 6 Other distributions (describe in Part VI) See instructions | |
| 7 Total annual distributions. Add lines 1 through 6 | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions | |
| 9 Distributable amount for 2016 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-2016 | (iii) Distributable Amount for 2016 |
|---|-----------------------------|--|---|
| 1 Distributable amount for 2016 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions) | | | |
| 3 Excess distributions carryover, if any, to 2016 | | | |
| a | | | |
| b | | | |
| c From 2013. | | | |
| d From 2014. | | | |
| e From 2015. | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2016 distributable amount | | | |
| i Carryover from 2011 not applied (see instructions) | | | |
| j Remainder Subtract lines 3g, 3h, and 3i from 3f | | | |
| 4 Distributions for 2016 from Section D, line 7 \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2016 distributable amount | | | |
| c Remainder Subtract lines 4a and 4b from 4 | | | |
| 5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions) | | | |
| 6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions) | | | |
| 7 Excess distributions carryover to 2017. Add lines 3j and 4c | | | |
| 8 Breakdown of line 7 | | | |
| a | | | |
| b Excess from 2013. | | | |
| c Excess from 2014. | | | |
| d Excess from 2015. | | | |
| e Excess from 2016. | | | |

Part VI **Supplemental Information.**

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

| |
|-------------------------------------|
| Facts And Circumstances Test |
| |

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2016

Open to Public Inspection

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

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

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

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

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

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

| | |
|---|---|
| Name of the organization Bozeman Deaconess Health Services | Employer identification number 81-0232121 |
|---|---|

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

| | | |
|----------|--|------|
| 1 | Provide a description of the organization's direct and indirect political campaign activities in Part IV | |
| 2 | Political expenditures | ▶ \$ |
| 3 | Volunteer hours | |

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

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

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

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

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

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

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

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

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

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

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

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

d Other exempt purpose expenditures

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

| Calendar year (or fiscal year beginning in) | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) Total |
|---|----------|----------|----------|----------|-----------|
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

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

| | | (a) | | (b) |
|-----------|--|-----|----|--------|
| | | Yes | No | Amount |
| 1 | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of | | | |
| a | Volunteers? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | Yes | | |
| c | Media advertisements? | | No | |
| d | Mailings to members, legislators, or the public? | | No | |
| e | Publications, or published or broadcast statements? | | No | |
| f | Grants to other organizations for lobbying purposes? | | No | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | Yes | | 56,400 |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? | Yes | | 4,014 |
| j | Total. Add lines 1c through 1i | | | 60,414 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | No | |
| b | If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c | If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

Part IV Supplemental Information

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

| Return Reference | Explanation |
|-------------------|--|
| Part II-B, Line 1 | Hired consultant to provide lobbying services in connection with governmental affairs representation to ensure hospital, community, and employee interests and needs are represented. Bozeman Deaconess Health Services reimburses certain professional membership dues of employees, a portion of such membership dues are used by the professional associations for lobbying activities. These are dues for MHA and AHA. |

| | | | | | |
|--|--|--|---------------|--|--|
| efile GRAPHIC print - DO NOT PROCESS | | As Filed Data - | | DLN: 93493312015397 | |
| <div>SCHEDULE D (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div> | | <div>Supplemental Financial Statements</div> <div>► 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.</div> <div>Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.</div> | | | <div>OMB No 1545-0047</div> <div>2016</div> <div>Open to Public Inspection</div> |
| Name of the organization Bozeman Deaconess Health Services | | | | Employer identification number 81-0232121 | |
| 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? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7. | | | | | |
| 1 | Purpose(s) of conservation easements held by the organization (check all that apply) <input type="checkbox"/> Preservation of land for public use (e g , recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space | | | | |
| 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 | | | | |
| a | Total number of conservation easements | Held at the End of the Year | | | |
| b | Total acreage restricted by conservation easements | 2a | | | |
| c | Number of conservation easements on a certified historic structure included in (a) | 2b | | | |
| d | Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2c | | | |
| | | 2d | | | |
| 3 | Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► | | | | |
| 4 | Number of states where property subject to conservation easement is located ► | | | | |
| 5 | Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9 | In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements | | | | |
| Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8. | | | | | |
| 1a | If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items | | | | |
| b | If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items | | | | |
| (i) Revenue included on Form 990, Part VIII, line 1 | | ► \$ | | | |
| (ii) Assets included in Form 990, Part X | | ► \$ | | | |
| 2 | If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items | | | | |
| a | Revenue included on Form 990, Part VIII, line 1 | | | | ► \$ |
| b | Assets included in Form 990, Part X | | | | ► \$ |
| For Paperwork Reduction Act Notice, see the Instructions for Form 990. | | | | | |
| | | | Cat No 52283D | Schedule D (Form 990) 2016 | |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII**5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?☐ Yes ☐ No**Part IV Escrow and Custodial Arrangements.**

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?☐ Yes ☐ No**b** If "Yes," explain the arrangement in Part XIII and complete the following table**c** Beginning balance**d** Additions during the year**e** Distributions during the year**f** Ending balance

| | Amount |
|-----------|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?☐ Yes ☐ No**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 13,928,221 | 13,788,550 | 12,396,438 | 10,913,019 | 9,765,686 |
| b Contributions | 122,889 | 99,933 | 785,403 | 15,645 | 385,183 |
| c Net investment earnings, gains, and losses | 843,418 | 216,493 | 619,492 | 1,686,800 | 873,051 |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 146,615 | 176,755 | 12,783 | 219,026 | 110,901 |
| f Administrative expenses | | | | | |
| g End of year balance | 14,747,913 | 13,928,221 | 13,788,550 | 12,396,438 | 10,913,019 |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as**a** Board designated or quasi-endowment ▶ 74.020 %**b** Permanent endowment ▶ 15.110 %**c** Temporarily restricted endowment ▶ 10.870 %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by**(i)** unrelated organizations**(ii)** related organizations**b** If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

| | Yes | No |
|---------------|-----|----|
| 3a(i) | | No |
| 3a(ii) | Yes | |
| 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 6,650,455 | | 6,650,455 |
| b Buildings | | 27,048,411 | 1,179,933 | 25,868,478 |
| c Leasehold improvements | | | | |
| d Equipment | | 41,281,223 | 20,148,711 | 21,132,512 |
| e Other | | 399,147 | | 399,147 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶ | | | | 54,050,592 |

Part VII

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

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

Part VIII

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

| (a) Description of investment | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|---|----------------|---|
| (1) Investment in Affiliated Organizations | 13,356,233 | C |
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶ | 13,356,233 | |

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) Due from affiliates | 4,699,988 |
| (2) Other Assets | 234,964 |
| (3) Interest in net assets of Foundation | 1,107,892 |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶ | 6,042,844 |

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 |
|---|----------------|
| (1) Federal income taxes | |
| Deposits | 16,588 |
| Capitalized Lease Obligation | 8,046,722 |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶ | 8,063,310 |

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: 81-0232121
Name: Bozeman Deaconess Health Services

Supplemental Information

| Return Reference | Explanation |
|------------------|--|
| Part V, Line 4 | Each endowment fund is privy to a separate agreement. Donations made for each purpose shall be received, held, and invested by the Bozeman Deaconess Foundation according to established policies governing gift acceptance, investment, and distribution. The principal of the fund shall be retained in perpetuity. The interest income is utilized for the greatest needs of the designated department. Policy says the organization can use a portion of interest for operations. The endowment fund reported in Line 1 is currently being held by a related organization, Bozeman Health Foundation, and benefits Bozeman Health and related system entities. |

Supplemental Information

| Return Reference | Explanation |
|------------------|--|
| Part X, Line 2 | <p>The Organization consists of Montana nonprofit organizations and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income. The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.</p> |

efile GRAPHIC print - DO NOT PROCESSAs Filed Data -DLN: 93493312015397

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2016

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Bozeman Deaconess Health Services

► 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.

Employer identification number

81-0232121

Part IFinancial Assistance and Certain Other Community Benefits at Cost

1a

Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a

1a

Yes

1b

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 %

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

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

No

c

If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

5c

6a

Did the organization prepare a community benefit report during the tax year?

6a

Yes

b

If "Yes," did the organization make it available to the public?

6b

Yes

Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H

7Financial 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) | | | 814,080 | | 814,080 | 1 020 % |
| b Medicaid (from Worksheet 3, column a) | | | 1,417,312 | 719,639 | 697,673 | 0 870 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | 2,231,392 | 719,639 | 1,511,753 | 1 890 % |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 360,926 | | 360,926 | 0 450 % |
| f Health professions education (from Worksheet 5) | | | 8,000 | | 8,000 | 0 010 % |
| g Subsidized health services (from Worksheet 6) | | | 3,561,509 | 3,270,658 | 290,851 | 0 360 % |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 494,958 | | 494,958 | 0 620 % |
| j Total. Other Benefits | | | 4,425,393 | 3,270,658 | 1,154,735 | 1 440 % |
| k Total. Add lines 7d and 7j | | | 6,656,785 | 3,990,297 | 2,666,488 | 3 330 % |

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

Cat No 50192T

Schedule H (Form 990) 2016

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

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|--|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1 Physical improvements and housing | | | | | | |
| 2 Economic development | | | | | | |
| 3 Community support | | | | | | |
| 4 Environmental improvements | | | | | | |
| 5 Leadership development and training for community members | | | | | | |
| 6 Coalition building | | | | | | |
| 7 Community health improvement advocacy | | | | | | |
| 8 Workforce development | | | | | | |
| 9 Other | | | | | | |
| 10 Total | | | | | | |

Part III Bad Debt, Medicare, & Collection Practices**Section A. Bad Debt Expense**

| | | Yes | No |
|--|----------|-----------|----|
| 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | 1 | Yes | |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. | 2 | 1,284,741 | |
| 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 | 0 | |
| 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 | 2,136,552 |
| 6 Enter Medicare allowable costs of care relating to payments on line 5. | 6 | 3,215,289 |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall). | 7 | -1,078,737 |
| 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other | | |

Section C. Collection Practices

| | | | |
|---|-----------|-----|--|
| 9a 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 1 Rocky Mountain Surgical Center LLC | Outpatient Surgical Center | 51 010 % | 0 % | 48 990 % |
| 2 2 Deaoness Intercity Imaging LLC | Radiology | 77 500 % | 0 % | 20 920 % |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |

Part V Facility Information**Section A. Hospital Facilities**

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

How many hospital facilities did the organization operate during the tax year?
1

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

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

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

Name of hospital facility or letter of facility reporting group _____

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): _____

2

Community Health Needs Assessment

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

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Big Sky Medical Center LLC

Name of hospital facility or letter of facility reporting group

| | Yes | No |
|--|---------------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that | | |
| 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP | 13 Yes | |
| a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 150 000000000000 % and FPG family income limit for eligibility for discounted care of 250 000000000000 % | | |
| b <input type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c <input type="checkbox"/> Asset level | | |
| d <input checked="" type="checkbox"/> Medical indigency | | |
| e <input checked="" type="checkbox"/> Insurance status | | |
| f <input checked="" type="checkbox"/> Underinsurance discount | | |
| g <input type="checkbox"/> Residency | | |
| h <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 14 Explained the basis for calculating amounts charged to patients? | 14 Yes | |
| 15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply) | 15 Yes | |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| 16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | 16 Yes | |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) See Part V, Page 8 | | |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) See Part V, Page 8 | | |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) See Part V, Page 8 | | |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations | | |
| j <input checked="" type="checkbox"/> Other (describe in Section C) | | |

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

Big Sky Medical Center LLC

Name of hospital facility or letter of facility reporting group

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

Big Sky Medical Center LLC

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

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

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

If "Yes," explain in Section C

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

If "Yes," explain in Section C

| | Yes | No |
|-----------|-----|----|
| | | |
| 23 | | No |
| 24 | Yes | |

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

[illegible]

Part V Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? 5

| Name and address | Type of Facility (describe) |
|--|-------------------------------|
| 1 1 - Deaconess Intercity Imaging LLC 915 Highland Blvd Bozeman, MT 59715 | Outpatient Imaging Center |
| 2 2 - Rocky Mountain Surgery Center LLC 1450 Ellis St Suite 101 Bozeman, MT 59715 | Outpatient Surgical Center |
| 3 3 - Hospice of Southwest Montana LLC 3810 Valley Commons Dr Ste 1 Bozeman, MT 59715 | Hospice Services |
| 4 4 - Bozeman Health Urgent Cares LLC 106 W Main Bozeman, MT 59715 | Outpatient Health Care |
| 5 5 - Bozeman Health Medical Group LLC 915 Highland Blvd Bozeman, MT 59715 | Contracted Physician Services |
| 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 3c | Any individual and their dependents who are at 150% of the Federal Poverty Income level or below will be eligible to receive a 100% write-off of the self-pay portion of incurred charges, upon completion of an application. Completion of the Financial Assistance application will be required. Catastrophic Financial Assistance is available to individuals who have a large balance remaining after all third party payments have been taken into account. The balance under consideration is that amount which is deemed to be the patient's financial responsibility. If such responsibility is greater than 50% of the family's annual household income, the excess amount will be treated as Catastrophic Financial Assistance and written off of the patient's account. This assistance is available without respect to the FPG, but they must follow the same process as all other patients seeking financial assistance based upon FPG. Asset tests are not used for determining any level of financial assistance. Prior to providing services, BH will make an effort to notify the patient regarding their eligibility for financial assistance. |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part I, Line 6a | The organization's community benefit report can be found on its website at http //www bigskymedicalcenter org/For-Community.aspx |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part I, Line 7 | <p>The cost to charge ratio from Worksheet 2 was used to obtain the costs related to Charity Care, Medicaid, and Other Means-Tested Programs. All net benefit expenses were calculated using direct costs and revenue with reasonable indirect overhead allocation methods. Benefits are allocated at 23% of payroll dollars. For Subsidized Services, other indirect overhead costs are allocated based on historical reasonableness of 15% of total expenses. Our internal system does record patient revenues based on type (inpatient vs. outpatient vs. emergency) and payor (Medicaid, Medicare, Commercial, Self-Pay, etc.). Related costs are then determined based on the pro-rated share as a percentage of the total. For example, if Medicaid comprises 7% of a department's revenue, Medicaid expenses are calculated at 7% of the total as well.</p> |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part I, Line 7g | Amount of cost attributable to a physician clinic is \$3,561,509 The Urgent Care disregarded entity was reported as a subsidized services, pulling out the financial assistance and Medicaid to report separately as appropriate |

| 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 \$ 1,284,741 |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part III, Line 2 | Bad debt is reported at charges as recorded by the organization and included joint ventures. Bad debt is reported based upon actual bad debt expense net of discounts and contractual adjustments, less recoveries. |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part III, Line 4 | The footnote to the organization's financial statements that describes bad debt expenses is located in Footnote 1 on page 9 of the attached financial statements |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part III, Line 8 | <p>The entire amount of shortfall should be considered a community benefit The Medicare shortfall represents a cost absorbed by the Hospital as a result of providing care to Medicare patients The contract driving this loss is a nondiscretionary contract, as is providing the services to this population of individuals The cost of providing this benefit to the community should be reportable as such Medicare allowable costs of care are based on the Medicare cost report The Medicare cost report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services For the Joint Ventures, Net Medicare Revenue was used as the revenue received, and that percentage of total revenues was applied against operating expenses to determine related costs The Joint Venture portion of the shortfall is \$767,508</p> |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part III, Line 9b | <p>Bozeman Health's Financial Assistance Policy explains the patient notification practice that includes providing the patient, either directly or through its contracted collection agency with at least one written notice informing the patient about the Extraordinary Collection Actions that we intend to take if the patient does not submit an Application for Financial Assistance or pay the amount due by at least thirty days following the date of the notice. The notice will include a copy of the plain language summary and will not be mailed or delivered to a patient earlier than 30 days prior to the end of the Notification Period. No Extraordinary Collection Actions will be undertaken during the 120 day Notification Period, during which time we will take reasonable efforts to determine whether the patient is eligible for Financial Assistance. After the 120 day Notification Period, an Extraordinary Collection Action will be undertaken only if the patient has received the 30 day written notice described above. Extraordinary Collection Actions are defined as those actions that may be taken in the event of non-payment following the expiration of the notification period. These may include the reporting of adverse information about the individual to consumer credit reporting agencies or credit bureaus, garnishment of an individual's wages, and/or commencement of a legal civil action against an individual.</p> |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part VI, Line 2 | <p>Bozeman Health (BH) had previously conducted a Health Needs Assessment for a hospital which is now formed as a separate corporation, Bozeman Health Deaconess Hospital (BHDH) Currently, the only hospital facility that rolls into Bozeman Health as a disregarded entity is Big Sky Medical Center (BSMC) In the fall of 2016 and in collaboration with our partners in the Healthy Gallatin Coalition on Nutrition and Physical Activity, BH led an in-depth qualitative study of parents and children in Gallatin County to gain insight into why there is a decrease in healthy weight and behaviors The objective of this project was to learn and understand what children and families understood about healthy living and behaviors related to it and use the information to develop strategies to reverse the trend Bozeman Health also reviews surveys completed by health initiative partners such as HRDC</p> |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part VI, Line 3 | <p>Bozeman Health is deeply committed to providing financial assistance to patients needing, but unable to afford, medically necessary health care services. As a hospital operating in the Bozeman Health system, Big Sky Medical Center (BSMC) posts notice of its Financial Assistance Policy in all admitting areas, as well as on the website. At the earliest feasible time, BSMC will attempt to determine whether a patient has third party coverage for any part of the hospital services provided. If a patient does not have third party coverage, a patient advocate from the MASH program will screen all inpatient cases and any outpatient cases exceeding \$1,000 in total charges to determine if the patient qualifies for third party funding. If not, the patient advocate will explain the Financial Assistance Policy and give the patient an application if desired. In circumstances where payment in full will cause financial hardship that will significantly harm the patient or patient's family, the applicant may be asked to visit with Consumer Credit Counseling Services to further review their financial situations. Upon request, patients may be asked to complete an application for Medicaid participation or for coverage by other governmental payment programs. Patient bills also contain billing information explaining financial options and provide contact information to the appropriate resources.</p> |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part VI, Line 4 | <p>Bozeman Health Big Sky Medical Center (BSMC) primarily serves a three zip code region in Gallatin County Montana 59716 Big Sky, 59730 Gallatin Gateway, and 59758 West Yellowstone (note that in certain zip code boundary definitions, 59716 Big Sky is in both Gallatin and Madison County-although the most populous area is in Gallatin County) These 3 communities account for more than 70% of clinic visits at BSMC Big Sky Clinic in 2016 In addition, these same communities account for 33 33% of BSMC's inpatient admissions while 54 17% were of patients originating outside Montana-likely because the Big Sky area is a popular tourist destination The population of the tri-zip code area was an estimated 6,201 (59716 2,117, 59730 1,862, and 59758 2,222) in 2016 The average per capita income in the combined communities was an estimated \$33,300 and 4 6% of families were estimated to be in poverty in 2015 (ACS 5yr estimates, 2015) 2017 estimates suggest that 12 8% of the population in the tri-zip code area are covered by Medicaid, 5 5% are uninsured, and 14 7% are insured under Medicare (Truven Health Analytics) Bozeman Health Big Sky Medical Center is the only hospital in the BSMC three zip code service area, and is one of two hospitals in Gallatin County (Bozeman Health Big Sky Medical Center and Bozeman Health Deaconess Hospital) Prior to opening of BSMC in Dec 2015, the communities served by BSMC were designated as a Primary Care Health Professional Shortage (HPSA) Geographic Area (http //dphhs mt gov/publichealth/primarycare/-shortage-area-designations) based on 2014 HPSA data, most recently available from MT DPHHS</p> |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part VI, Line 5 | <p>As a sole community hospital, Bozeman Health Big Sky Medical Center (BSMC) is committed to providing quality care and promoting health to the very community that supports us. BSMC governing body is represented by individuals of our community, with all but one being independent to our organization. To ensure immediate access to care, BSMC has an open medical staff and requires each medical staff member to care for anyone presenting a need for care in the Emergency Department. We also devote a significant amount of surplus funds to maintaining a high level of patient care through quality initiatives and technology investments. Various employees, physicians, administrators, and board members of the Hospital are actively involved in volunteer roles including community board positions in numerous other activities, groups, and organizations that actively promote the health of the community.</p> |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part VI, Line 6 | Bozeman Deaconess Health Services owned a majority interest in Deaconess Intercity Imaging, LLC and Rocky Mountain Surgery Center in 2016. Although these joint ventures are not licensed hospitals, these organizations hold similar policies regarding providing care to all members of the community and offering financial assistance as determined by ability to pay. |

Additional Data

Software ID:
Software Version:
EIN: 81-0232121
Name: Bozeman Deaconess Health Services

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

| Section A. Hospital Facilities | | 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 |
|---|--|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|------------------|--------------------------|
| (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 | | | | | | | | | | | |
| 2 | Big Sky Medical Center 334 Town Center Ave Big Sky, MT 59716 www.bigskymedicalcenter.com 13563 | X | X | | | | | X | | | |

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

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

| Form and Line Reference | Explanation |
|-----------------------------|--|
| Big Sky Medical Center, LLC | Part V, Section B, Line 2 Hospital license granted December 10, 2015 |

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

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

| Form and Line Reference | Explanation |
|-----------------------------|--|
| Big Sky Medical Center, LLC | Part V, Section B, Line 13h Any individual and their dependents who are at 150% of the Federal Poverty income level or below will be eligible to receive a 100% write-off of the self-pay portion of incurred charges, upon completion of an application Completion of the Financial Assistance application will be required Catastrophic Financial Assistance is available to individuals who have a large balance remaining after all third party payments have been taken into account The balance under consideration is that amount which is deemed to be the patient's financial responsibility If such responsibility is greater than 50% of the family's annual household income, the excess amount will be treated as Catastrophic Financial Assistance and written off of the patient's account This assistance is available without respect to the FPG, but they must follow the same process as all other patients seeking financial assistance based upon FPG Asset tests are not used for determining any level of financial assistance Prior to providing services, BH will make an effort to notify the patient regarding their eligibility for financial assistance |

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

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

| Form and Line Reference | Explanation |
|-----------------------------|--|
| Big Sky Medical Center, LLC | Part V, Section B, Line 16j Medical Advocacy Services in Healthcare (MASH) will give out our financial application after determining patient is ineligible for federal and state programs A summary of the financial assistance policy is attached to billing invoices, posted in patient admissions area, and provided to patient on admission to the hospital facility |

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

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

| Form and Line Reference | Explanation |
|-----------------------------|---|
| Big Sky Medical Center, LLC | Part V, Section B, Line 24 All individuals eligible under the hospital financial assistance policy are provided a discount for emergency and other medically necessary care The financial assistance policy does not apply to elective procedures Therefore, FAP-eligible patients without insurance may be billed gross charges on elective procedures |

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

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

| Form and Line Reference | Explanation |
|---|--|
| Schedule H, Part V, Section B, Line 16a-16c | www.bigskeymedicalcenter.org/For-Patients-Visitors/Financial-Services/Financial-Assistance-Program.aspx |

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

2016

Open to Public Inspection

Name of the organization
Bozeman Deaconess Health Services

Employer identification number
81-0232121

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 |
|--|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
|--|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|

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

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

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) | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| (6) | | | | | |
| (7) | | | | | |

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

| Return Reference | Explanation |
|------------------|---|
| Part I, Line 2 | Recipients of grants and assistance prepare informational reports substantiating the use of the funds that were earmarked to support community health programs Involvement of Bozeman Deaconess Health Services staff and/or administration as volunteers in the activities being supported also ensures proper usage of funds |

Additional Data

Software ID:
Software Version:
EIN: 81-0232121
Name: Bozeman Deaconess Health Services

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 |
|---|------------|-------------------------------|--------------------------|-----------------------------------|---|--|--|
| Western Montana Mental Health Center Bldg T-9 Fort Missoula Rd Missoula, MT 59804 | 81-0307814 | 501(c)(3) | 317,500 | | | | Support community health crisis programs within our service area |
| Greater Gallatin United Way 945 Technology Blvd 101F Bozeman, MT 59718 | 81-0384820 | 501(c)(3) | 50,000 | | | | Support human service needs within our service area |

| 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 |
| Community Health Partners 126 S Main Street Livingston, MT 59047 | 84-1420492 | 501(c)(3) | 38,000 | | | | Support community health programs within our service area |
| GoNoodle 209 10th Ave S STE 350 Nashville, TN 37203 | 20-3456491 | | 31,239 | | | | Provide healthy activity options to school districts |

| 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 |
| Nami Montana 616 Helena Ave 218 Helena, MT 59601 | 81-0441706 | 501(c)(3) | 10,000 | | | | Support community mental health crisis programs within our service area |

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 Bozeman Deaconess Health Services | Employer identification number 81-0232121 |
|---|--|

Part I

Questions Regarding Compensation

| | Yes | No |
|--|-----|----|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> | | |
| b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain | Yes | |
| 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? | | No |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div> | | |
| 4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? | | No |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | | No |
| c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. | | No |
| Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9. | | |
| 5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? | | No |
| b Any related organization? If "Yes," on line 5a or 5b, describe in Part III. | | No |
| 6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? | | No |
| b Any related organization? If "Yes," on line 6a or 6b, describe in Part III. | | No |
| 7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III. | | No |
| 8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III. | | No |
| 9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | | |

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

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

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

| (A) Name and Title | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column(B) reported as deferred on prior Form 990 |
|---------------------------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|--|
| | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| See Additional Data Table | | | | | | | |

Part III **Supplemental Information**

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

| Return Reference | Explanation |
|------------------|--|
| Part I, Line 1a | Per contract, the CEO is reimbursed \$12,500 for housing. This benefit is reported as taxable compensation. The housing allowance was agreed upon as part of the compensation determination and employment agreement of the CEO, and therefore the organization does not require the CEO to submit a receipt for this allowance. |

Additional Data

Software ID:
Software Version:
EIN: 81-0232121
Name: Bozeman Deaconess Health Services

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1Dr Dane Sobek Secretary/Cardiologist | (i) | 573,770 | 40,300 | 540 | 38,194 | 22,770 | 675,574 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1John Hill President/CEO (Aug-Dec) | (i) | 205,248 | 50,000 | 15,574 | 0 | 9,915 | 280,737 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2Gordon Davidson Interim CEO (Jan-Aug)/VP Finance/CFO | (i) | 430,525 | 50,045 | 13,683 | 44,790 | 17,570 | 556,613 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3David Chen MD Interim CEO (Jan-Aug)/CMO | (i) | 423,142 | 52,573 | 5,782 | 32,525 | 24,914 | 538,936 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4Elizabeth LewisCOO | (i) | 260,343 | 39,069 | 16,190 | 40,818 | 16,070 | 372,490 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5Annie Castillo MD Oncology | (i) | 487,459 | 58,768 | 1,548 | 15,900 | 3,523 | 567,198 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6Blair Erb MD Cardiology | (i) | 509,395 | 50,000 | 1,548 | 33,855 | 21,230 | 616,028 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7Nathaniel Madsen MD Cardiology | (i) | 575,770 | 49,375 | 360 | 36,861 | 20,770 | 683,136 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8Hugh Hethenngton MD Otolaryngology/Plastic Surgery | (i) | 496,585 | 0 | 1,548 | 37,063 | 27,556 | 562,752 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9Ken May MD Oncology | (i) | 488,242 | 60,735 | 360 | 15,900 | 11,830 | 577,067 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization
Bozeman Deaconess Health Services

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

2016

Open to Public Inspection

Employer identification number
81-0232121

| 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 Montana Facility Finance Authority | 36-4615155 | 61240MBM8 | 11-05-2014 | 23,005,852 | Refinance 2004 bond issued 3/4/2004 & fund add'n of Big Sky Medical Facility | | X | | X | | X |
| B Montana Facility Finance Authority | 36-4615155 | | 01-09-2015 | 6,300,000 | Portion for Big Sky Medical Facility | | X | | X | | X |

| Part II | | Proceeds | | | | | | | |
|---------|--|------------|----|-----------|----|-----|----|-----|----|
| | | A | | B | | C | | D | |
| 1 | Amount of bonds retired | 485,000 | | | | | | | |
| 2 | Amount of bonds legally defeased | | | | | | | | |
| 3 | Total proceeds of issue | 23,005,852 | | 6,300,000 | | | | | |
| 4 | Gross proceeds in reserve funds | | | | | | | | |
| 5 | Capitalized interest from proceeds | 3,032 | | | | | | | |
| 6 | Proceeds in refunding escrows | | | | | | | | |
| 7 | Issuance costs from proceeds | 377,976 | | 15,123 | | | | | |
| 8 | Credit enhancement from proceeds | | | | | | | | |
| 9 | Working capital expenditures from proceeds | | | | | | | | |
| 10 | Capital expenditures from proceeds | 17,500,000 | | 6,284,877 | | | | | |
| 11 | Other spent proceeds | 5,127,876 | | | | | | | |
| 12 | Other unspent proceeds | | | | | | | | |
| 13 | Year of substantial completion | 2015 | | 2016 | | | | | |
| | | 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 % | | | | | |
| 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 % | | | | | |
| 6 Total of lines 4 and 5 | | | 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).

| Return Reference | Explanation |
|--|--|
| Schedule K, Part II, Line 3, column(C) | The amount on line 3 includes \$20,680,164 of proceeds and \$13,042 of interest earned |

| Return Reference | Explanation |
|-------------------------------|---|
| Schedule K, Part I, Line B(e) | Part I issue price and Part II Line 3 bond proceeds differ due to interest earned on the proceeds |

| Return Reference | Explanation |
|-------------------------------|---|
| Schedule K, Part I, Line C(e) | Part I issue price and Part II Line 3 bond proceeds differ due to interest earned on the proceeds |

2016

81-0232121

Part I Liquidation, Termination, or Dissolution (continued)**Note.** If the organization distributed all of its assets during the tax year, then Form 990, Part X, column (B), line 16 (Total assets), and line 26 (Total liabilities), should equal -0-**Yes** **No****3** Did the organization distribute its assets in accordance with its governing instrument(s)? If "No," describe in Part III **3****4a** Is the organization required to notify the attorney general or other appropriate state official of its intent to dissolve, liquidate, or terminate? **4a****b** If "Yes," did the organization provide such notice? **4b****5** Did the organization discharge or pay all of its liabilities in accordance with state laws? **5****6a** Did the organization have any tax-exempt bonds outstanding during the year? **6a****b** If "Yes" on line 6a, did the organization discharge or defease all of its tax-exempt bond liabilities during the tax year in accordance with the Internal Revenue Code and state laws? **6b****c** If "Yes" on line 6b, describe in Part III how the organization defeased or otherwise settled these liabilities. If "No" on line 6b, explain in Part III**Part II Sale, Exchange, Disposition, or Other Transfer of More Than 25% of the Organization's Assets.**

Complete this part if the organization answered "Yes" on Form 990, Part IV, line 32, or Form 990-EZ, line 36. Part II can be duplicated if additional space is needed.

| 1 | (a) Description of asset(s) distributed or transaction expenses paid | (b) Date of distribution | (c) Fair market value of asset(s) distributed or amount of transaction expenses | (d) Method of determining FMV for asset(s) distributed or transaction expenses | (e) EIN of recipient | (f) Name and address of recipient | (g) IRC section of recipient(s) (if tax-exempt) or type of entity |
|----------|---|---------------------------------|--|---|-----------------------------|--|--|
|----------|---|---------------------------------|--|---|-----------------------------|--|--|

2 Did or will any officer, director, trustee, or key employee of the organization**a** Become a director or trustee of a successor or transferee organization? **2a****b** Become an employee of, or independent contractor for, a successor or transferee organization? **2b****c** Become a direct or indirect owner of a successor or transferee organization? **2c****d** Receive, or become entitled to, compensation or other similar payments as a result of the organization's significant disposition of assets? **2d****e** If the organization answered "Yes" to any of the questions on lines 2a through 2d, provide the name of the person involved and explain in Part III ►**Yes** **No****2a** Yes**2b** No**2c** No**2d** No

Part III **Supplemental Information.**

Provide the information required by Part I, lines 2e and 6c, and Part II, line 2e. Also complete this part to provide any additional information.

| Return Reference | Explanation |
|------------------|---|
| Part II, Line 2e | Person(s) Involved Bozeman health and Bozeman Health Deaconess Hospital have the same governing boards Bozeman Health is the sole member of Bozeman Health Deaconess Hospital |

Additional Data

Software ID:
Software Version:
EIN: 81-0232121
Name: Bozeman Deaconess Health Services

Form 990, Schedule N, Part II - Sale, Exchange, Disposition or Other Transfer of more than 25% of the Organization's Assets. Complete this part if the organization answered "Yes" on Form 990, Part IV, line 32, or Form 990-EZ, line 36. Part II can be duplicated if additional space is needed.

| 1 (a) Description of asset(s) distributed or transaction expenses paid | (b) Date of distribution | (c) Fair market value of asset(s) distributed or amount of transaction expenses | (d) Method of determining FMV for asset(s) distributed or transaction expenses | (e) Ein of recipient | (f) Name and address of recipient | (g) IRC Code section recipient(s) (if tax-exempt) or type of entity |
|--|--------------------------|---|--|----------------------|---|---|
| Cash | 01-01-2016 | 5,973 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 915 Highland Blvd Bozeman, MT 59715 | 501(c)(3) |
| Net Receivables | 01-01-2016 | 40,166,798 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 916 Highland Blvd Bozeman, MT 59716 | 501(c)(3) |
| Inventory | 01-01-2016 | 6,809,369 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 917 Highland Blvd Bozeman, MT 59717 | 501(c)(3) |
| Prepaid Expenses | 01-01-2016 | 790,285 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 918 Highland Blvd Bozeman, MT 59718 | 501(c)(3) |
| Investments | 01-01-2016 | 118,764,109 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 919 Highland Blvd Bozeman, MT 59719 | 501(c)(3) |
| PP&E | 01-01-2016 | 104,048,322 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 920 Highland Blvd Bozeman, MT 59720 | 501(c)(3) |
| Goodwill | 01-01-2016 | 1,798,133 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 921 Highland Blvd Bozeman, MT 59721 | 501(c)(3) |
| Payables | 01-01-2016 | -13,682,482 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 922 Highland Blvd Bozeman, MT 59722 | 501(c)(3) |
| Debt | 01-01-2016 | -22,218,774 | Book value | 47-4717998 | Bozeman Health Deaconess Hospital 923 Highland Blvd Bozeman, MT 59723 | 501(c)(3) |

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

2016

Open to Public Inspection

| | |
|---|--|
| Name of the organization Bozeman Deaconess Health Services | Employer identification number 81-0232121 |
|---|--|

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|----------------------------|---|
| Form 990, Part III, line 2 | Bozeman Health opened a 4 licensed bed hospital in Big Sky in December 2015 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|-------------------------------|---|
| Form 990, Part III, line 3 | <p>The Organization conducted a reorganization effective January 1, 2016. The Organization no longer operates Bozeman Deaconess Health Services inside this entity. The operations of that hospital are operated under the newly formed Bozeman Health Deaconess Hospital, a separately filing nonprofit. Hillcrest Senior Living LLC and Bozeman Health Clinical Research, previous disregarded entities, legally dissolved in 2015. The operations of these entities are operated under the newly formed Bozeman Health Deaconess Hospital.</p> |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section A, line 7a | The Yellowstone Conference of the Methodist Church confirms the Board Members and has authority to appoint the clergy member of the board |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section A, line 7b | Changing the Articles of Incorporation in relationship to the process of selecting board m embership must be approved by the Yellowstone Conference of the United Methodist Church |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section A, line 8b | The organization does not have any committees with the authority to act on behalf of the governing body |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| Form 990, Part VI, Section B, line 11b | The Finance Committee will review Form 990 in detail and will make a recommendation to the full Board for approval before filing of the Form 990 The CFO reviews the Form 990 at a higher level with the board before approval is granted |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| Form 990, Part VI, Section B, line 12c | In-house Counsel identifies potential conflicts from annual disclosures and informs the Board Chair. The Board Chair discusses the conflict and decides whether the conflict is of such a nature to exclude the conflicted party from discussion and/or vote. This policy covers all Board members, Officers, Senior Administration, and key employees. |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Section B, line 15 | The Executive Committee receives a formal presentation by an independent compensation consultant (as selected by the Board) qualified to perform compensation reviews including use of comparability data. This person presents recommendations to the Compensation Committee of the Board. The Compensation Committee makes recommendations to the full Board on an annual basis for Officers and Senior Administration. This annual process was performed in fall 2016 to determine 2017 compensation. |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------------|---|
| Form 990, Part VI, Section C, line 19 | <p>Governing documents, conflict of interest policy, and all tax related information required to be available for public inspection are available via walk-in, telephone call, e-mail, and/or mail-in request. The audited financial statements are required to be attached to the Form 990 and provided to the Municipal Securities Rulemaking Board, which is our tax-exempt bonds trustee, via an on-line, central filing location called Electronic Municipal Market Access (EMMA). The financial statements can be obtained by the general public at the EMMA website.</p> |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------|---|
| Form 990, Part XI, line 9 | Transfers to related parties -234,699,089 Change in Temp & Perm Restricted Investment of Foundation -286,759 |

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

2016

Open to Public Inspection

Name of the organization
Bozeman Deaconess Health Services

Employer identification number
81-0232121

| 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) Big Sky Medical Center LLC 334 Town Center Ave Big Sky, MT 59716 47-4718253 | Healthcare - Inpatient and Outpatient Services | MT | 4,154,482 | 34,915,128 | Bozeman Deaconess Health Services |
| (2) Bozeman Health Urgent Cares LLC 915 Highland Blvd Bozeman, MT 59715 46-5318746 | Healthcare - Physician Outpatient Care | MT | 3,151,720 | 3,797,824 | Bozeman Deaconess Health Services |
| (3) Bozeman Health Medical Group LLC 915 Highland Blvd Bozeman, MT 59715 47-5126599 | Physician Employment & Contract to Bozeman Health System | MT | 31,026,037 | 1,410,159 | Bozeman Deaconess Health Services |
| | | | | | |
| | | | | | |
| | | | | | |

| Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year. | | | | | | | |
|---|--|--|----------------------------|---|-----------------------------------|--|----|
| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
| | | | | | | Yes | No |
| (1)Bozeman Deaconess Foundation dba Bozeman Health Foundation 931 Highland Blvd Suite 3200 Bozeman, MT 59715 84-1407943 | Raise funds to support Bozeman Deaconess Health Services | MT | 501(c)(3) | Line 7 | Bozeman Deaconess Health Services | Yes | |
| (2)Bozeman Health Deaconess Hospital 915 Highland Blvd Bozeman, MT 59715 47-4717998 | Healthcare - Inpatient and Outpatient Services | MT | 501(c)(3) | Line 3 | Bozeman Deaconess Health Services | Yes | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income(related, unrelated, excluded from tax under sections 512- 514) | (f) Share of total income | (g) Share of end- of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|---|---|--|--|---------------------------------|---|---|----|--|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| (1) Deaconess Intercity Imaging LLC 915 Highland Blvd Bozeman, MT 59715 81-0666871 | Healthcare - Imaging Services | MT | Bozeman Deaconess Health Services | Related | 1,548,189 | 3,321,743 | | No | | Yes | | 77 500 % |
| (2) Rocky Mountain Surgical Center LLC 1450 Ellis St Suite 101 Bozeman, MT 59715 36-4462300 | Healthcare - Surgical Services | MT | Bozeman Deaconess Health Services | Related | 3,375,642 | 3,626,822 | | No | | | No | 51 010 % |
| (3) Spanish Peaks Plaza LLC 120 N 19th Ave Suite A Bozeman, MT 59718 81-0539803 | Rental Real Estate for VA Med Clinic & Chiro | MT | Bozeman Deaconess Health Services | Related | 14,153 | 265,425 | | No | | Yes | | 44 990 % |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of- year assets | (h) Percentage ownership | (i) Section 512(b) (13) controlled entity? | |
|--|--|---|---|--|---------------------------------|---|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| (1) Bozeman Deaconess Real Estate Development Corp PO Box 10490 Bozeman, MT 59719 20-5496567 | Sale of real estate property and residences to seniors | MT | Bozeman Deaconess Health Services | C | 4,324,963 | 9,622,288 | 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

| | | | | |
|----------|---|-----------|------------|-----------|
| 1 | During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | Yes | No |
| a | Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | 1a | | No |
| b | Gift, grant, or capital contribution to related organization(s) | 1b | Yes | |
| 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 | Yes | |
| 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 | | No |
| 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 | Yes | |
| q | Reimbursement paid by related organization(s) for expenses | 1q | Yes | |
| r | Other transfer of cash or property to related organization(s) | 1r | Yes | |
| s | Other transfer of cash or property from related organization(s) | 1s | Yes | |

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

See Additional Data Table

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

[illegible]

Part VII **Supplemental Information**

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

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

Additional Data

Software ID:
Software Version:
EIN: 81-0232121
Name: Bozeman Deaconess Health Services

Form 990, Schedule R, Part V - Transactions With Related Organizations

| (a) Name of related organization | | (b) Transaction type(a-s) | (c) Amount Involved | (d) Method of determining amount involved |
|-------------------------------------|------------------------------------|---------------------------------|------------------------|--|
| (1) | Deaconess Intercity Imaging LLC | B | 1,069,500 | General ledger and corp records |
| (1) | Deaconess Intercity Imaging LLC | S | 1,531,400 | General ledger and corp records |
| (2) | Bozeman Health Deaconess Hospital | I | 236,481,656 | General ledger and corp records |
| (3) | Bozeman Deaconess Foundation | C | 1,543,224 | General ledger and corp records |
| (4) | Bozeman Deaconess Foundation | Q | 72,457 | General ledger and corp records |
| (5) | Rocky Mountain Surgical Center LLC | S | 3,012,982 | General ledger and corp records |
| (6) | Bozeman Health Deaconess Hospital | L | 66,220,128 | |