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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning , 2016, and ending , 20

B Check if applicable:
- [ ] Address change
- [X] Name change
- [ ] Initial return
- [ ] Final return/ terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Doing business as

Number and street (or P O. box if mail is not delivered to street address): C/O SH TAX 2200 RIVER PLAZA DRIVE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code: SACRAMENTO, CA 95833

D Employer identification number: 94-1156581

E Telephone number: (916) 286-6665

G Gross receipts $ 2,081,731,523.

F Name and address of principal officer: JEFF GERARD
SAME AS C ABOVE

H(a) Is this a group return for subordinates? [ ] Yes [X] No

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

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.SUTTERHEALTH.ORG

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1948 **M** State of legal domicile: CA

Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O

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)	3	25.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	22.
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	7,275.
6	Total number of volunteers (estimate if necessary)	6	144.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	248,667.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	43,116.

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		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	14,349,038.	26,406,446.
9	Program service revenue (Part VIII, line 2g)	1,921,533,873.	2,052,360,289.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,354,100.	2,424,278.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	433,401.	404,852.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,939,670,412.	2,081,595,865.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,262,886.	3,662,887.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	511,550,267.	559,181,732.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 3,592,442.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,265,214,910.	1,373,133,167.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,779,028,063.	1,935,977,786.
19	Revenue less expenses Subtract line 18 from line 12	160,642,349.	145,618,079.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,493,297,907.	1,660,807,582.
21	Total liabilities (Part X, line 26)	829,497,898.	850,778,626.
22	Net assets or fund balances. Subtract line 21 from line 20	663,800,009.	810,028,956.

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 — Date: 11.7.2017

▶ JOHN GATES CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
EVA NITTA	Eva Nicole Nitta	11/06/17		P01286320

Firm's name ▶ ERNST & YOUNG U.S. LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 560 MISSION ST. STE 1600 SAN FRANCISCO, CA 94105 — Phone no 415-894-8000

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions.

6102

Form **990** (2016)

JSA
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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

SEE SCHEDULE O

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 $ 1,744,641,600 including grants of $ 3,662,887) (Revenue $ 2,052,360,289)

SEE SCHEDULE O

4b (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services (Describe in Schedule O.)

(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e Total program service expenses ▶ 1,744,641,600.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
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		X
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	X	
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	X	
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		X
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	X	
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	X	
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		X
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		X
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		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
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	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII.*	12a		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E.*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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		X
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		X
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		X
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		X
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	X	
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		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
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	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	557		
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		X	
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	7,275		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
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		X	
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			X
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			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
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			X
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		X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
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			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
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			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	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?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O				
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			X
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 line 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 X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 25		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 22		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ CA,

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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 ▶
CARLA WHITE-SNYDER 9100 FOOTHILLS BLVD ROSEVILLE, CA 95747 916-297-9847

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

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

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, and 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)CHRISTOPHER BECNEL	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(2)DIANA BELL	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(3)DAVID BLACK, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(4)WILLIAM BRUNETTI	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(5)RICHARD CARY HILL, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(6)EILEEN CONSORTI, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(7)THEODORE DEIKEL	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(8)EMIL ROY EISENHARDT	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(9)ERIC FLOWERS	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(10)OWEN GARRICK, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(11)MICHAEL R GAULKE	2.00									
TRUSTEE SUTTER HEALTH BOARD	18.00	X						0.	27,500.	0.
(12)JEFF GERARD	2.00									
PRES. SUTTER HEALTH BAY AREA	40.00	X		X				0.	1,336,457.	383,031.
(13)VINITA GUPTA	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(14)KATHERINE HSIAO, MD	2.00									
TRUSTEE/CHIEF GYN DIVI, CPMC	8.00	X						0.	35,574.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) STEVEN KATZNELSON, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(16) SARAH KREVANS	2.00									
PRES & CEO, SH/ASST SEC SBMF	40.00	X		X				0.	2,365,948.	1,511,150.
(17) JOSEPH LACY, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(18) RICHARD M LEVY, PHD	2.00									
CHAIR FINANCE & PLANNING, SBMF	17.00	X		X				0.	27,500.	0.
(19) TIMOTHY MURPHY, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(20) DENNIS O'CONNELL	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(21) STEVEN OLIVER	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(22) JOHN RYAN	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(23) RON SINHA, MD	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(24) MARGARET TAYLOR	2.00									
TRUSTEE	8.00	X						0.	0.	0.
(25) ANTHONY WAGNER	2.00									
TRUSTEE/CHAIR	16.00	X		X				0.	0.	0.
1b Sub-total ▶								0.	1,399,531.	383,031.
c Total from continuation sheets to Part VII, Section A ▶								520,627.	10,650,918.	2,783,393.
d Total (add lines 1b and 1c) ▶								520,627.	12,050,449.	3,166,424.

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 ▶ 1178

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

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
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 153

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			
(26) JOHN GATES	1.00									
CFO SUTTER HEALTH BAY AREA	40.00			X				0.	911,830.	182,716.
(27) KAREN HALL	1.00									
CHIEF LEGAL OFFICER BAY AREA	40.00			X				0.	594,256.	113,664.
(28) ANNE D BARR	1.00									
CIO, SUTTER HEALTH BAY AREA	40.00				X			0.	490,355.	105,016.
(29) ELIZABETH VILARDO-MORGAN, MD	40.00									
CEO, SBMF	0.				X			0.	871,871.	204,939.
(30) LAWRENCE DEGHETALDI	40.00									
DIVISION PRESIDENT, SANTA CRUZ	0.					X		0.	652,056.	161,170.
(31) LI MIN J. HU	40.00									
DIVISION PRESIDENT, ALAMEDA	0.					X		0.	590,673.	123,769.
(32) ROGER LARSEN II, CPA	40.00									
CFO, BAY AREA MEDICAL FDNS	0.					X		0.	775,875.	162,386.
(33) HAROLD LUFT	40.00									
DIRECTOR RESEARCH INSTITUTE	0.					X		520,627.	0.	30,501.
(34) BRIAN C ROACH, MD	40.00									
DIV. PRESIDENT, SAN MATEO	0.					X		0.	634,987.	80,322.
(35) RICHARD SLAVIN, MD	0.									
FORMER PRESIDENT & CEO, PAMF	40.00						X	0.	1,333,083.	47,268.
(36) MICHAEL ERIKSON	0.									
FORMER COO, PAMF	40.00						X	0.	226,973.	2,990.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 1178

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

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

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

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			
(37) FRANCIS MARZONI	0.									
FORMER DIVISION PRESIDENT PAMF	40.00						X	0.	1,175,511.	57,502.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 1178

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

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

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

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 8,195				
	b	Membership dues	1b				
	c	Fundraising events	1c 106,765				
	d	Related organizations	1d 2,347,177				
	e	Government grants (contributions)	1e 3,093,402				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 20,850,907				
	g	Noncash contributions included in lines 1a-1f $ 1,051,258					
	h	**Total.** Add lines 1a-1f ▶		26,406,446			
Program Service Revenue			**Business Code**				
	2a	PATIENT SERVICE REVENUE	621110	2,050,830,187	2,050,830,187		
	b	ASC OPERATORS - SOUTH BAY, LLC	621990	1,429,105	1,429,105		
	c	RENTAL TO AFFILIATES	532420	100,997	100,997		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a-2f ▶		2,052,360,289			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		2,160,027		93,250	2,066,777
	4	Income from investment of tax-exempt bond proceeds ▶		0			
	5	Royalties ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	314,890				
	b	Less rental expenses	52,893				
	c	Rental income or (loss)	261,997				
	d	Net rental income or (loss) ▶		261,997			261,997
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	264,251				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)	264,251				
	d	Net gain or (loss) ▶		264,251			264,251
	8a	Gross income from fundraising events (not including $ 106,765 of contributions reported on line 1c) See Part IV, line 18	a 57,643				
	b	Less direct expenses	b 77,745				
	c	Net income or (loss) from fundraising events ▶		-20,102			-20,102
	9a	Gross income from gaming activities See Part IV, line 19	a 12,560				
	b	Less direct expenses	b 5,020				
	c	Net income or (loss) from gaming activities ▶		7,540			7,540
	10a	Gross sales of inventory, less returns and allowances	a 0				
	b	Less cost of goods sold	b 0				
	c	Net income or (loss) from sales of inventory ▶		0			
		Miscellaneous Revenue	**Business Code**				
	11a	UBI - HEALTH MGMT RESOURCES	454110	155,417		155,417	
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a-11d ▶		155,417			
	12	**Total revenue.** See instructions ▶		2,081,595,865	2,052,360,289	248,667	2,580,463

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 X

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	3,485,987.	3,485,987.		
2 Grants and other assistance to domestic individuals See Part IV, line 22	176,900.	176,900.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	1,672,181.		1,672,181.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	359,212,341.	314,413,210.	43,896,807.	902,324.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	30,558,813.	26,623,737.	3,935,076.	
9 Other employee benefits	134,966,548.	117,586,827.	16,807,201.	572,520.
10 Payroll taxes	32,771,849.	28,551,799.	4,220,050.	
11 Fees for services (non-employees)				
a Management	6,255,720.		6,229,053.	26,667.
b Legal	301,007.	301,007.		
c Accounting	18,206.		18,206.	
d Lobbying	20,000.		20,000.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	749,242.		749,242.	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) ATCH 2	720,562,280.	687,047,745.	33,514,535.	
12 Advertising and promotion	5,904,096.		5,904,096.	
13 Office expenses	19,238,585.	14,189,530.	4,605,315.	443,740.
14 Information technology	53,832,251.	43,383,146.	10,449,105.	
15 Royalties	0.			
16 Occupancy	46,001,601.	42,858,414.	3,143,187.	
17 Travel	1,258,017.	1,006,414.	242,860.	8,743.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	431,871.	288,650.	143,221.	
20 Interest	19,725,143.	19,725,143.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	105,063,488.	96,936,912.	8,126,576.	
23 Insurance	4,237,825.	1,579,020.	2,658,805.	
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 MEDICAL SERVICES	173,482,333.	173,482,333.		
b PURCHASED SERVICES	169,423,270.	157,061,007.	12,194,915.	167,348.
c SYSTEM ALLOCATION	19,511,325.	3,342,005.	16,169,320.	
d SUTTER CHARGEBACKS	13,796,230.	3,287,857.	10,508,373.	
e All other expenses	13,320,677.	9,313,957.	2,535,620.	1,471,100.
25 **Total functional expenses** Add lines 1 through 24e	1,935,977,786.	1,744,641,600.	187,743,744.	3,592,442.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0.	1	0.
	2	Savings and temporary cash investments		128,886,592.	2	208,753,004.
	3	Pledges and grants receivable, net		3,256,467.	3	3,710,339.
	4	Accounts receivable, net		129,140,893.	4	137,632,998.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0.	5	0.
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0.	6	0.
	7	Notes and loans receivable, net		0.	7	0.
	8	Inventories for sale or use		4,092,068.	8	4,452,542.
	9	Prepaid expenses and deferred charges		4,037,245.	9	2,445,766.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1712227920.			
	b	Less accumulated depreciation	10b 585,163,448.	1,112,774,619.	10c	1,127,064,472.
	11	Investments - publicly traded securities		59,297,794.	11	90,527,564.
	12	Investments - other securities See Part IV, line 11		0.	12	0.
	13	Investments - program-related See Part IV, line 11		8,213,821.	13	8,161,175.
	14	Intangible assets		8,436,884.	14	8,436,884.
	15	Other assets See Part IV, line 11		35,161,524.	15	69,622,838.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,493,297,907.	16	1,660,807,582.
Liabilities	17	Accounts payable and accrued expenses		188,951,787.	17	209,600,957.
	18	Grants payable		0.	18	0.
	19	Deferred revenue		0.	19	0.
	20	Tax-exempt bond liabilities		632,345,312.	20	630,631,207.
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0.	21	0.
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0.	22	0.
	23	Secured mortgages and notes payable to unrelated third parties		0.	23	0.
	24	Unsecured notes and loans payable to unrelated third parties		0.	24	0.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		8,200,799.	25	10,546,462.
	26	**Total liabilities.** Add lines 17 through 25		829,497,898.	26	850,778,626.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		609,951,305.	27	744,403,093.
	28	Temporarily restricted net assets		43,796,855.	28	55,482,500.
	29	Permanently restricted net assets		10,051,849.	29	10,143,363.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		663,800,009.	33	810,028,956.
	34	Total liabilities and net assets/fund balances		1,493,297,907.	34	1,660,807,582.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,081,595,865.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,935,977,786.
3	Revenue less expenses Subtract line 2 from line 1	3	145,618,079.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	663,800,009.
5	Net unrealized gains (losses) on investments	5	1,303,266.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-692,398.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	810,028,956.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization	Employer identification number
SUTTER BAY MEDICAL FOUNDATION FKA PALO ALTO MEDICAL FOUNDATION	94-1156581

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 **section 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? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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 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** . . . . . ▶ ☐

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 from 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 . . . . . ▶ ☐

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 . . . . . ▶ ☐

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 . . . . . ▶ ☐

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 . . . . . ▶ ☐

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

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

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?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

a ☐ The organization satisfied the Activities Test *Complete* ***line 2*** *below*

b ☐ The organization is the parent of each of its supported organizations *Complete* ***line 3*** *below*

c ☐ The organization supported a governmental entity *Describe in* ***Part VI*** *how you supported a government entity (see instructions)*

			Yes	No
2	Activities Test ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement*	2b		
3	Parent of Supported Organizations ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard*	3b		

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

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

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

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

Section C - Distributable Amount		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3	4	
5 Income tax imposed in prior year	5	
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions)

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**) See instructions	
7	**Total annual distributions.** Add lines 1 through 6	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**) See instructions	
9	Distributable amount for 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-explain in Part VI) 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 For result greater than zero, explain in Part VI See instructions			
6	Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 For result greater than zero, explain in Part VI 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)

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 organization	Employer identification number
SUTTER BAY MEDICAL FOUNDATION FKA PALO ALTO MEDICAL FOUNDATION	94-1156581

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV (see instructions for definition of "political campaign activities")

2 Political campaign activity expenditures (see instructions) . . . . . ▶ $

3 Volunteer hours for political campaign activities (see instructions) . . . . . .

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
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		

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

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) Yes	(a) No	(b) 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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		20,000.
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total Add lines 1c through 1i			20,000.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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?		X	

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 campaign activity 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

SEE PAGE 4

Part IV Supplemental Information *(continued)*

SCHEDULE C, PART II-B, LINE 1F

GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES:

THE ORGANIZATION CONTRIBUTED $10,000 TO A LOCAL CALIFORNIA PROPOSITION 'YES ON A' FOR AFFORDABLE HOUSING. THE ORGANIZATION CONTRIBUTED $10,000 TO A LOCAL CALIFORNIA PROPOSITION COUNTYWIDE COALITION TO FIX OUR ROADS, FILL POTHOLES AND RELIEVE TRAFFIC CONGESTION.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization: SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number: 94-1156581

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

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

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7

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

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

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

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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

(i) Revenue included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ 1,367,961.

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 in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

a [X] 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 [X] 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

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided on 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	17,741,314.	18,979,234.	18,935,679.	17,272,952.	12,880,771.
b Contributions	46,837.	-438,254.	95,403.	94,443.	143,100.
c Net investment earnings, gains, and losses	523,294.	-472,413.	534,462.	1,920,423.	1,411,176.
d Grants or scholarships	286,920.	327,253.			
e Other expenditures for facilities and programs			586,310.	352,139.	-2,837,905.
f Administrative expenses					
g End of year balance	18,024,525.	17,741,314.	18,979,234.	18,935,679.	17,272,952.

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

a Board designated or quasi-endowment ▶ 17.6100 %
b Permanent endowment ▶ 56.2700 %
c Temporarily restricted endowment ▶ 26.1200 %

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

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

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

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

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" 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		183,652,042.		183,652,042.
b Buildings		959,020,126.	247,594,976.	711,425,150.
c Leasehold improvements		157,795,025.	52,044,359.	105,750,666.
d Equipment		395,293,160.	282,631,951.	112,661,209.
e Other		16,467,567.	2,892,162.	13,575,405.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10c)* ▶				1,127,064,472.

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

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

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

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

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

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

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) INSURANCE LIABILITIES	1,606,136.
(3) SELF-INSURANCE LIABILITY	327,457.
(4) OTHER LIABILITIES	8,612,869.
(5)	
(6)	
(7)	
(8)	
(9)	
Total *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	10,546,462.

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 [X]

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART III, LINE 4

DESCRIPTION OF THE ORGANIZATION'S COLLECTIONS:

THE ORGANIZATION HAS ARTWORK BEING DISPLAYED IN PUBLIC PLACES OF THE MEDICAL FACILITY FOR DECORATIVE PURPOSES.

SCHEDULE D, PART V, LINE 4

INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS:

SHOCKLEY ENDOWMENT - UNRESTRICTED INVESTMENT INCOME (USED BY SBMF FOR GENERAL PURPOSES) IN TEMP RESTRICTED EARNINGS UNTIL APPROPRIATED FOR EXPENDITURE. REALIZED AND UNREALIZED GAIN/LOSS GOES BACK INTO THE ENDOWMENT CORPUS.

ELY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE SALARY AND BENEFITS OF THE RESEARCH INSTITUTE DIRECTOR.

COMMUNITY HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO HELP MEET THE NEEDS OF THE UNDERSERVED (MENTAL AND PHYSICAL) WITHIN THE SBMF SERVICE AREA.

GEORGE DICK ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS.

DOHRMANN FAMILY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH.

HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO FUND HEALTH CARE PROJECTS FOR THE PALO ALTO DIVISION AND MEET THE NEEDS OF THE UNDERSERVED

Part XIII Supplemental Information *(continued)*

WITHIN THE PALO ALTO DIVISION.

KILBANE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT CANCER RESEARCH AND CANCER PROGRAMS IN RADIATION ONCOLOGY AND MEDICAL ONCOLOGY.

MILO FELLOWSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS WILL BE USED BY THE FOUNDATION TO PROVIDE GRANTS IN AID AND SUPPORT PROMISING POST DOCTORAL SCIENTISTS ENGAGED IN RESEARCH RELATING TO THE CAUSE, DIAGNOSIS, TREATMENT AND CURE OF CANCER. EACH GRANT SHALL BE KNOWN AS THE EDITH J MILO MEMORIAL FELLOWSHIP IN THE RESEARCH ON CANCER.

THOMAS R MITCHELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE ESTABLISHMENT AND MAINTENANCE OF THE COMPUTERIZED ONCOLOGY DATABASE ALLOWING PHYSICIANS MORE ACCESS FROM OFF-SITE LOCATIONS.

RESEARCH INSTITUTE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH.

PEDIATRIC ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PEDIATRICS.

RUSSELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PROGRAMS AND SERVICES OF THE CLARK-DAVIS PEDIATRIC CENTER.

SAIER ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE PURCHASE OF EQUIPMENT, SUPPLIES AND OTHER EXPENSES DIRECTLY RELATED TO SUPPORT OF THE MEDICAL RESEARCH MISSION OF THE RESEARCH INSTITUTE.

Part XIII Supplemental Information *(continued)*

STEVENS MEMORIAL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS.

NURSING SCHOLARSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT NURSING EDUCATION SCHOLARSHIPS. THE BLAIR STRATFORD NURSING ENDOWMENT WAS ESTABLISHED BY BLAIR STRATFORD IN HONOR OF DR. RICHARD BABB TO FUND NURSING EDUCATION THROUGH SCHOLARSHIPS FOR QUALIFIED SBMF CANDIDATES IN THE PALO ALTO, CAMINO, SANTA CRUZ, AND PALOMARES DIVISIONS.

DUSTERBERRY ENDOWMENT - TEMP RESTRICTED EARNINGS TO BENEFIT CHILDREN IN THE GEOGRAPHIC AREA OF THE TRI-CITIES AND THE FREMONT UNIFIED SCHOOL DISTRICT AND TO FUND SCHOOL CONFERENCES, NEW PROGRAMS, STUDENT TUITION, AND SCHOLARSHIPS.

PHYSICIAN ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE RECRUITMENT AND RETENTION OF PHYSICIANS.

BRIAN T. PAASO SCHOLARSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT MEDICAL SCHOLARSHIPS.

SCHEUDLE D, PART X, LINE 2
ASC 740 (FIN 48) FOOTNOTE FROM AUDIT:
THIS ORGANIZATION WAS PART OF A CONSOLIDATED FINANCIAL SYSTEM AUDIT. THE ASC 740 AUDIT FOOTNOTE DISCLOSURE FOR THE SUTTER SYSTEM IS AS FOLLOWS:

SUTTER HEALTH, THE LEGAL ENTITY, AND MANY AFFILIATES HAVE BEEN DETERMINED TO BE EXEMPT ORGANIZATIONS BY THE INTERNAL REVENUE SERVICE AND THE

Part XIII Supplemental Information *(continued)*

CALIFORNIA FRANCHISE TAX BOARD, AND GENERALLY, ARE NOT SUBJECT TO TAXES ON INCOME. CERTAIN ACTIVITIES OF SUTTER ARE SUBJECT TO INCOME TAXES; HOWEVER, SUCH ACTIVITIES ARE NOT SIGNIFICANT TO THE CONSOLIDATED FINANCIAL STATEMENTS. WITH RESPECT TO ITS TAXABLE ACTIVITIES, SUTTER RECORDS INCOME TAXES USING THE LIABILITY METHOD, UNDER WHICH DEFERRED TAX ASSETS AND LIABILITIES ARE DETERMINED BASED ON THE DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING AND TAX BASES OF ASSETS AND LIABILITIES. DEFERRED TAX ASSETS OR LIABILITIES AT THE END OF EACH PERIOD ARE DETERMINED USING THE CURRENTLY ENACTED TAX RATE EXPECTED TO APPLY TO TAXABLE INCOME IN THE PERIODS THAT THE DEFERRED TAX ASSET OR LIABILITY IS EXPECTED TO BE REALIZED OR SETTLED.

SUTTER RECOGNIZES THE TAX BENEFIT FROM UNCERTAIN TAX POSITIONS ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITIONS WILL BE SUSTAINED ON EXAMINATION BY THE TAX AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE TAX BENEFIT IS MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT. THE STATUTE OF LIMITATIONS FOR TAX YEARS 2013 THROUGH 2015 REMAIN OPEN IN U.S. TAX JURISDICTIONS IN WHICH SUTTER AND ITS AFFILIATES ARE SUBJECT TO TAXATION. SUTTER RECOGNIZES INTEREST AND PENALTIES RELATED TO INCOME TAX MATTERS IN OPERATING EXPENSES. AT DECEMBER 31, 2016 AND 2015, THERE WERE NO SUCH UNCERTAIN TAX POSITIONS.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization: SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number: 94-1156581

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

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- a ☐ Mail solicitations
- b ☐ Internet and email solicitations
- c ☐ Phone solicitations
- d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

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

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

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

		(a) Event #1 TOAST TO TOWN (event type)	(b) Event #2 STEP INTO FASH (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	114,915.	49,493.		164,408.
	2 Less: Contributions	63,712.	43,053.		106,765.
	3 Gross income (line 1 minus line 2)	51,203.	6,440.		57,643.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	1,406.	1,120.		2,526.
	7 Food and beverages	14,643.	6,440.		21,083.
	8 Entertainment	3,135.			3,135.
	9 Other direct expenses	30,296.	20,705.		51,001.
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				77,745.
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-20,102.

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11 Does the organization conduct gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity conducted in

a The organization's facility . . . . . 13a %

b An outside facility . . . . . 13b %

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

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

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

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

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

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

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 SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer Identification number
94-1156581

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? . . . . . [X] 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) SUTTER HEALTH 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833	94-2788907	501(C)(3)	693,608.				PROGRAM SUPPORT
(2) SUTTER BAY HOSPITALS 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833	94-1156265	501(C)(3)	409,357				PROGRAM SUPPORT
(3) SOUTH COUNTY COMM HLTH CTR INC 1885 BAY RD E PALO ALTO, CA 94303	94-3372130	501(C)(3)	400,000				SPONSORSHIP
(4) TRI CITY HEALTH CENTER 39500 LIBERTY ST FREMONT, CA 94538	23-7255435	501(C)(3)	150,002				SPONSORSHIP
(5) ASIAN AMERICANS FOR COMMUNITY INVOLVEMENT 2400 MOORPARK AVE SAN JOSE, CA 95128	94-2292491	501(C)(3)	102,000				PROGRAM SUPPORT
(6) AXIS COMMUNITY HEALTH 4361 RAILROAD AVE PLEASANTON, CA 94566	94-2232394	501(C)(3)	100,000				PROGRAM SUPPORT
(7) INDIAN HEALTH CENTER OF SANTA CLARA VALLEY 1333 MERIDIAN AVE SAN JOSE, CA 95125	94-2476242	501(C)(3)	100,000				PROGRAM SUPPORT
(8) HEALTHIER KIDS FOUNDATION SANTA CLARA CO 4010 MOORPARK AVE SAN JOSE, CA 95117	77-0545774	501(C)(3)	80,000				PROGRAM SUPPORT
(9) COMMUNITY HEALTH AWARENESS COUNCIL PO BOX 335 MOUTAIN VIEW, CA 94042	94-2223670	501(C)(3)	50,000				PROGRAM SUPPORT
(10) MAYVIEW COMMUNITY HEALTH CTR 270 GRANT AVE PALO ALTO, CA 94306	94-2239648	501(C)(3)	50,000.				PROGRAM SUPPORT
(11) PALO ALTO HISTORY MUSEUM PO BOX 676 PALO ALTO, PA 94302	77-0634933	501(C)(3)	50,000				PROGRAM SUPPORT
(12) CRUZMED FOUNDATION INC 1975 SOQUEL DR STE 215 SANTA CRUZ, CA 95065	45-2774675	501(C)(3)	35,000				PROGRAM SUPPORT

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

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

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.**

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OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number
94-1156581

Part I General Information on Grants and Assistance

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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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) PENINSULA HEALTHCARE CONNECTION INC 33 ENCINA AVE STE 103 PALO ALTO, CA 94301	20-2886131	501(C)(3)	32,000				PROGRAM SUPPORT
(2) ACTERRA ACTION FOR A HEALTHY PLANET 3921 E BAYSHORE RD PALO ALTO, CA 94303	23-7064937	501(C)(3)	30,000				SPONSORSHIP
(3) BCE FOUNDATION PO BOX 117730 BURLINGAME, CA 94010	94-2722072	501(C)(3)	20,000				PROGRAM SUPPORT
(4) PUBLIC HEALTH INSTITUTE 1825 BELL ST STE 102 SACRAMENTO, CA 95825	94-1646278	501(C)(3)	30,000				SPONSORSHIP
(5) SUNNYVALE COMMUNITY SERVICES 725 KIFER RD SUNNYVALE, CA 94086	94-1713897	501(C)(3)	30,000				PROGRAM SUPPORT
(6) REGENTS OF THE UNIV OF CA, UC BERKELEY 250 SPROUL HALL STE 1960 BERKELEY, CA 94720	94-6002123	GOVT	27,000				PROGRAM SUPPORT
(7) HOMELESS SERVICES CENTER 115 B CORAL ST SANTA CRUZ, CA 95060	77-0126783	501(C)(3)	25,250				PROGRAM SUPPORT
(8) ADOLESCENT COUNSELING SERVICES 1717 EMBARCADERO RD PALO ALTO, CA 94303	51-0192551	501(C)(3)	25,000				SPONSORSHIP
(9) COASTAL KIDS HOME CARE 1172 SO MAIN ST STE 125 SALINAS, CA 93901	20-2549984	501(C)(3)	25,000				PROGRAM SUPPORT
(10) MAITRI 234 E GISH RD STE 200 SAN JOSE, CA 95112	94-3132087	501(C)(3)	25,000				PROGRAM SUPPORT
(11) HEALTH TRUST 3180 NEWBERRY DR STE 200 SAN JOSE, CA 95118	94-6050231	501(C)(3)	24,000				PROGRAM SUPPORT
(12) YMCA OF SILICON VALLEY 3412 ROSS RD PALO ALTO, CA 94303	94-1156318	501(C)(3)	21,000				PROGRAM SUPPORT

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

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

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.

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OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number
94-1156581

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? . . . . . [X] 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) AVENIDAS 450 BRYANT ST PALO ALTO, CA 94301	94-1480548	501(C)(3)	20,000				PROGRAM SUPPORT
(2) COUNSELING AND SUPPORT SERVICES FOR YOUTH 555 BRYANT ST STE 126 PALO ALTO, CA 94301	26-4655116	501(C)(3)	20,000				PROGRAM SUPPORT
(3) DEAF PLUS ADULT COMMUNITY 5437 CENTRAL AVE STE 4 NEWARK, CA 94560	47-3687686	501(C)(3)	20,000				PROGRAM SUPPORT
(4) FRIENDS OF CHILDREN WITH SPECIAL NEEDS 2300 PERALTA BLVD FREMONT, CA 94536	77-0446853	501(C)(3)	20,000				PROGRAM SUPPORT
(5) HEALTH CONNECTED 480 JAMES AVE REDWOOD CITY, CA 94062	94-3227947	501(C)(3)	10,000				PROGRAM SUPPORT
(6) PARISI HOUSE ON THE HILL INC PO BOX 21826 SAN JOSE, CA 95151	45-1911940	501(C)(3)	20,000				PROGRAM SUPPORT
(7) RAPE TRAUMA SERVICES 1860 EL CAMINO REAL BURLINGAME, CA 94010	94-3215045	501(C)(3)	20,000				PROGRAM SUPPORT
(8) YOUTH COMMUNITY SERVICE INC 4120 MIDDLEFIELD RD PALO ALTO, CA 94303	20-8099150	501(C)(3)	15,625				PROGRAM SUPPORT
(9) BAY AREA COUNCIL INC 353 SACRAMENTO ST SAN FRANCISCO, CA 94111	23-7325853	501(C)(3)	15,000				SPONSORSHIP
(10) CALIFORNIA DRAGON BOAT ASSOCIATION 268 BUSH ST STE 888 SAN FRANCISCO, CA 94118	52-2153488	501(C)(3)	15,000				SPONSORSHIP
(11) CAMP OPPORTUNITY INC 34050 PASEO PADRE PKWY FREMONT, CA 94555	77-0219669	501(C)(3)	15,000				PROGRAM SUPPORT
(12) CHILDRENS HEALTH COUNCIL 650 CLARK WY PALO ALTO, CA 94304	94-1312311	501(C)(3)	15,000				PROGRAM SUPPORT

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

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

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.

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OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number
94-1156581

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? . . . . . [X] Yes [ ] No

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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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) EMERGENCY HOUSING CONSORTIUM OF SANTA CLARA 507 VALLEY WY MILPITAS, CA 95035	94-2684272	501(C)(3)	15,000				SPONSORSHIP
(2) NEXT DOOR SOLUTIONS TO DOMESTIC VIOLENCE 234 E GISH RD STE 200 SAN JOSE, CA 95112	94-2420708	501(C)(3)	15,000				PROGRAM SUPPORT
(3) PATHWAYS HOSPICE FOUNDATION 201 SAN ANTONIO CIR MOUNTAIN VIEW CA 94040	77-0280660	501(C)(3)	15,000				SPONSORSHIP
(4) BOYS AND GIRLS CLUBS OF THE PENINSULA 401 PIERCE RD MENLO PARK, CA 94025	94-1552134	501(C)(3)	26,000				PROGRAM SUPPORT
(5) EL CAMINO HOSPITAL FOUNDATION 2500 GRANT RD MOUNTAIN VIEW, CA 94040	94-2823235	501(C)(3)	13,000				PROGRAM SUPPORT
(6) ABODE SERVICES 40849 FREMONT BLVD FREMONT, CA 94538	94-3087060	501(C)(3)	12,500				PROGRAM SUPPORT
(7) POMONA COLLEGE 550 NO COLLEGE AVE CLAREMONT, CA 91711	95-1664112	501(C)(3)	10,750				PROGRAM SUPPORT
(8) AMERICAN RED CROSS CAPITAL REGION CHAPTER PO BOX 100805 PASADENA, CA 91189	53-0196605	501(C)(3)	10,500				SPONSORSHIP
(9) AMERICAN CANCER SOCIETY 1720 SO AMPHLETT BLVD SAN MATEO, CA 94402	94-1170350	501(C)(3)	10,000				PROGRAM SUPPORT
(10) BOOMERANG FOUNDATION PO BOX 1853 SOQUEL, CA 95073	27-0524692	501(C)(3)	10,000				PROGRAM SUPPORT
(11) BRING CHANGE 2 MIND 155 SANSOME ST #530 SAN FRANCISCO, CA 94104	10-0974537	501(C)(3)	10,000				SPONSORSHIP
(12) CABRILLO COLLEGE FOUNDATION 6500 SOQUEL DR APTOS, CA 95003	94-6121953	501(C)(3)	10,000				PROGRAM SUPPORT

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

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

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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OMB No 1545-0047

2016

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Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

Part I General Information on Grants and Assistance

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(1) CARDIAC THERAPY FDN OF THE MIDPENINSULA 4000 MIDDLEFIELD RD PALO ALTO, CA 94303	77-0336212	501(C)(3)	10,000				PROGRAM SUPPORT
(2) CHALLENGE SUCCESS PO BOX 20053 STANFORD, CA 94309	45-3767621	501(C)(3)	10,000				PROGRAM SUPPORT
(3) CHINESE AMERICN COALITION-COMPATIONATE CARE 4070 CACTUS RD SHINGLE SPRINGS, CA 95682	26-0895114	501(C)(3)	10,000				SPONSORSHIP
(4) COMPUTER HISTORY MUSEUM 1401 N SHORELINE BLVD MOUNTAINVIEW CA 94043	77-0507525	501(C)(3)	10,000				SPONSORSHIP
(5) DOMINICAN HOSPITAL FOUNDATION 1555 SOQUEL DR SANTA CRUZ, CA 95065	94-2450442	501(C)(3)	10,000				PROGRAM SUPPORT
(6) DOWNTOWN STREETS INC 1671 THE ALAMEDA STE 306 SAN JOSE, CA 95126	20-5242330	501(C)(3)	10,000				PROGRAM SUPPORT
(7) JUVENILE DIABETES RESEARCH FOUNDATION 425 UNIVERSITY AVE SACRAMENTO, CA 95825	23-1907729	501(C)(3)	10,000				PROGRAM SUPPORT
(8) LEGAL AID SOCIETY OF SAN MATEO 521 E 5TH AVENUE SAN MATEO, CA 94402	94-1451894	501(C)(3)	20,000				PROGRAM SUPPORT
(9) MOMENTUM FOR MENTAL HEALTH 2001 THE ALAMEDA SAN JOSE, CA 95126	94-1496052	501(C)(3)	10,000				PROGRAM SUPPORT
(10) NATIONAL ALLIANCE ON MENTAL ILLNESS SANTA C PO BOX 360 SANTA CRUZ, CA 95061	77-0002878	501(C)(3)	20,000				PROGRAM SUPPORT
(11) NEW HOPE CHINESE CANCER CARE FOUNDATION 500 E CALAVERAS BLVD MILPITAS, CA 95035	46-2490094	501(C)(3)	20,000				PROGRAM SUPPORT
(12) PENINSULA HUMANE SOCIETY 12 AIRPORT ROAD SAN MATEO, CA 94401	94-1243665	501(C)(3)	20,000				PROGRAM SUPPORT

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

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

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FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number: 94-1156581

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(1) RONALD MCDONALD HOUSE AT STANFORD 520 SAND HILL RD PALO ALTO, CA 94304	94-2538615	501(C)(3)	10,000				PROGRAM SUPPORT
(2) SENIOR NETWORK SERVICES 1777-A CAPITOLA RD SANTA CRUZ, CA 95062	94-2259716	501(C)(3)	10,000				PROGRAM SUPPORT
(3) SILICON VALLEY COUNCIL OF NONPROFITS 1400 PARKMOOR AVE SAN JOSE, CA 95126	77-0524747	501(C)(3)	10,000				SPONSORSHIP
(4) WASHINGTON HOSPITAL HEALTHCARE FOUNDATION 2000 MOWRY AVE FREMONT, CA 94538	94-2886219	501(C)(3)	10,000				PROGRAM SUPPORT
(5) WOMENS FOUNDATION OF CA 340 PINE ST STE 302 SAN FRANCISCO, CA 94104	94-2752421	501(C)(3)	10,000				PROGRAM SUPPORT
(6) BAY AREA WOMENS SPORTS INITIATIVE 1922 THE ALAMEDA STE 420 SAN JOSE, CA 95126	55-0897084	501(C)(3)	9,500				PROGRAM SUPPORT
(7) SILICON VALLEY LEADERSHIP GROUP 2001 GATEWAY PL STE 101E SAN JOSE, CA 95110	94-2460352	501(C)(3)	9,000.				SPONSORSHIP
(8) REGENTS OF THE UNIV OF CA, UC LOS ANGELES 1105 MURPHY HALL LOS ANGELES, CA 90095	95-2830293	GOVT	6,500				PROGRAM SUPPORT
(9) CORNELL UNIV MEDIA RESOURCE CENTER 7 BUSINESS & TECHN PARK ITHICA, NY 14850	15-0532082	501(C)(3)	6,000.				PROGRAM SUPPORT
(10) DUKE UNIVERSITY PO BOX 90759 DURHAM, NC 27708	56-0532129	501(C)(3)	6,000				PROGRAM SUPPORT
(11) REGENTS OF THE UNIV OF CA, UC SAN FRANCISCO 1855 FOLSOM ST SAN FRANCISCO, CA 94143	94-6036493	GOVT	6,000				PROGRAM SUPPORT
(12) CHICAGO UNIVERSITY OF OFFICE OF COLLEGE AID 1115 E 58TH ST CHICAGO, IL 60637	36-2177139	501(C)(3)	5,150				PROGRAM SUPPORT

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

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SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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2016

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Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number
94-1156581

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(1) NATIONAL KIDNEY FOUNDATION INC. 30 E 33 ST NEW YORK, NY 10016	13-1673104	501(C)(3)	5,150				PROGRAM SUPPORT
(2) PLANNED PARENTHOOD MAR MONTE 1746 THE ALAMEDA SAN JOSE, CA 95126	94-1583439	501(C)(3)	6,500				PROGRAM SUPPORT
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 74.

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

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	SCHOLARSHIPS	49	176,900.			
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.

SCHEDULE I, PART I, LINE 2

IN ORDER TO CLOSELY MONITOR EFFICIENCY AND EFFECTIVENESS, THE COMMUNITY BENEFIT FUNCTION OUTLINES MEASURABLE REPORTING (QUARTERLY, SIX-MONTH AND/OR YEAR-END), PROGRAM AND FUNDING REQUIREMENTS IN A MEMORANDUM OF UNDERSTANDING (MOU), BUSINESS SERVICES AGREEMENT (BSA), OR JOINT VENTURE AGREEMENT FOR EACH INVESTMENT MADE WITH A COMMUNITY PARTNER. WHERE IT IS DETERMINED NECESSARY, ADDITIONAL EFFORTS ARE MADE TO MONITOR EFFECTIVENESS AND EFFICIENCY OF INVESTMENTS, WHICH COULD INCLUDE:

- QUARTERLY MEETINGS WITH COMMUNITY PARTNERS
- E-MAIL AND TELEPHONIC COMMUNICATIONS WITH COMMUNITY PARTNERS

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.

- CONTINUED DIALOGUE WITH INVOLVED HOSPITAL STAFF AND COMMUNITY PARTNERS

THROUGHOUT DURATION OF PROGRAM

- SITE VISITS WITH COMMUNITY PARTNERS

- BI-ANNUAL "OUTCOMES" SURVEY (6-MONTH AND YEAR-END OUTCOMES)

- REVIEW OF HOSPITAL USAGE AND PATIENT LEVEL DATA

- COLLECTION OF PATIENT STORIES AND NARRATIVES

- COLLABORATIVE DISCUSSIONS AROUND AD-HOC SUCCESSES AND CHALLENGES THAT

ARISE

- REPORTING TO INCLUDE YEAR-END FINANCIAL SUMMARY THAT COMPARES ACTUAL

EXPENDITURES TO THE FUNDED PROJECT'S BUDGET, INDICATING ANY UNUSED AMOUNT

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.

OF GRANT FUNDS.

AT THE END OF EACH YEAR/REPORTING PERIOD, COMMUNITY BENEFIT ANALYZES FULL-YEAR DATA TO ENSURE COMMUNITY PARTNERS MET THE OBJECTIVES OUTLINED IN THE MOU OR BAA. IF THE COMMUNITY PARTNERS DID NOT REACH THE ANTICIPATED OUTCOMES, COMMUNITY BENEFIT WORKS TO UNDERSTAND WHAT CIRCUMSTANCES PREVENTED THE ORGANIZATION FROM NOT MEETING THE GOALS TO HELP IDENTIFY WAYS TO IMPROVE OR PERHAPS RE-EVALUATE WHAT SUCCESS OF THIS PROGRAM LOOKS LIKE, AND MAKES THE DETERMINATION TO CONTINUE OR TERMINATE FUNDING.

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

2016

Open to Public Inspection

Name of the organization: SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number: 94-1156581

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☒ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (such as, maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a *related organization to establish compensation of the CEO/Executive Director, but explain in Part III*			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" on line 5a or 5b, describe in Part III			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" on line 6a or 6b, describe in Part III			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that aren't 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				
1	JEFF GERARD PRES SUTTER HEALTH BAY AREA	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	838,481.	380,000.	117,976.	362,276.	20,755.	1,719,488.	227,721.
2	SARAH KREVANS PRES & CEO, SH/ASST SEC SBMF	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	1,528,303.	647,289.	190,356.	1,484,076.	27,074.	3,877,098.	345,896.
3	JOHN GATES CFO SUTTER HEALTH BAY AREA	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	641,343.	206,675.	63,812.	162,226.	20,490.	1,094,546.	121,726.
4	KAREN HALL CHIEF LEGAL OFFICER BAY AREA	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	426,843.	141,382.	26,031.	95,726.	17,938.	707,920.	50,826.
5	ANNE D BARR CIO, SUTTER HEALTH BAY AREA	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	342,593.	118,965.	28,797.	88,226.	16,790.	595,371.	28,031.
6	ELIZABETH VILARDO-MORGA CEO, SBMF	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	596,847.	225,605.	49,419.	179,376.	25,563.	1,076,810.	93,921.
7	LAWRENCE DEGHETALDI DIVISION PRESIDENT, SANTA CRUZ	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	435,790.	158,247.	58,019.	138,926.	22,244.	813,226.	104,800.
8	LI MIN J. HU DIVISION PRESIDENT, ALAMEDA	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	427,395.	154,230.	9,048.	109,126.	14,643.	714,442.	0.
9	ROGER LARSEN II, CPA CFO, BAY AREA MEDICAL FDNS	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	517,985.	208,430.	49,460.	145,426.	16,960.	938,261.	83,800.
10	HAROLD LUFT DIRECTOR RESEARCH INSTITUTE	(i)	504,052.	16,575.	0.	13,250.	17,251.	551,128.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
11	BRIAN C ROACH, MD DIV PRESIDENT, SAN MATEO	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	417,303.	161,866.	55,818.	62,676.	17,646.	715,309.	106,403.
12	RICHARD SLAVIN, MD FORMER PRESIDENT & CEO, PAMF	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	31,647.	306,344.	995,092.	41,474.	5,794.	1,380,351.	0.
13	MICHAEL ERIKSON FORMER COO, PAMF	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	20,305.	107,985.	98,683.	1,211.	1,779.	229,963.	0.
14	FRANCIS MARZONI FORMER DIVISION PRESIDENT PAMF	(i)	0.	0.	0.	0.	0.	0.	0.
		(ii)	28,828.	274,012.	872,671.	50,407.	7,095.	1,233,013.	0.
15		(i)							
		(ii)							
16		(i)							
		(ii)							

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.

SCHEDULE J, PART I, LINE 1A

TAX INDEMNIFICATION:

STANDARD POLICY FOR ALL SUTTER HEALTH EMPLOYEES IS THAT NON-CASH GIFTS AND AWARDS ARE GROSSED-UP FOR TAX PURPOSES. THE AMOUNT OF THE GROSS-UP IS ADDED TO THE EMPLOYEE'S WAGES AND TAXED ACCORDINGLY.

SCHEDULE J, PART I, LINE 3

SUPPLEMENTAL COMPENSATION INFORMATION:

THE CEO OF THIS ORGANIZATION IS AN EMPLOYEE OF SUTTER HEALTH, A RELATED TAX-EXEMPT ORGANIZATION. THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ASSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED. THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION.

SEE SCHEDULE O NARRATIVE FOR PART VI, LINE 15 FOR A FULL DESCRIPTION OF THE COMPENSATION APPROVAL PROCESS COMPLETED BY SUTTER HEALTH.

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.

SCHEDULE J, PART I, LINE 4A

SEVERANCE PAYMENTS:

FRANCIS MARZONI RECEIVED SEVERANCE PAYMENTS OF $657,199

RICHARD SLAVIN, MD RECEIVED SEVERANCE PAYMENTS OF $721,501

SCHEDULE J, PART I, LINE 4B

NONQUALIFIED RETIREMENT PLAN:

THE PURPOSE OF THE NONQUALIFIED RETIREMENT PLAN IS TO PROVIDE SUTTER HEALTH EXECUTIVES WITH A COMPETITIVE RETIREMENT BENEFIT CONSISTENT WITH SUTTER HEALTH'S OVERALL COMPENSATION PHILOSOPHY FOR ALL EMPLOYEES. CONTRIBUTIONS ARE DESIGNED TAKING INTO CONSIDERATION LOST RETIREMENT BENEFITS THAT WOULD OTHERWISE BE OBTAINED THROUGH THE QUALIFIED PENSION PLAN AND SOCIAL SECURITY BENEFITS. SUTTER'S PLANS ARE DESIGNED CONSISTENT WITH COMPETITIVE INDUSTRY PRACTICES.

THE RETIREMENT PLAN FOR SUTTER HEALTH EMPLOYEES IS A COMBINATION OF SOCIAL SECURITY, 403B EMPLOYER MATCH CONTRIBUTIONS AND QUALIFIED PENSION PLAN BENEFITS. SUTTER HEALTH EXECUTIVES ARE GENERALLY INELIGIBLE FOR

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.

EMPLOYER MATCH CONTRIBUTIONS. ADDITIONALLY, QUALIFIED PENSION PLAN AND SOCIAL SECURITY BENEFIT CAPS HAVE THE EFFECT OF SUBSTANTIALLY REDUCING RETIREMENT BENEFITS THAT ARE OTHERWISE PROVIDED TO ALL EMPLOYEES. THE EFFECT IS THAT EXECUTIVES OFTEN DO NOT RECEIVE THE SAME LEVEL OF RETIREMENT BENEFIT ON AN INCOME REPLACEMENT BASIS AS OTHER EMPLOYEES.

TO ENSURE A COMPETITIVE RETIREMENT BENEFIT AND TO ADDRESS THE SHORTFALLS DESCRIBED ABOVE, SUTTER HEALTH MAKES AN ANNUAL CONTRIBUTION TO A NON-QUALIFIED 457(F) PLAN FOR ITS EXECUTIVES. THE FORMULA HAS TWO PARTS: (1) 4% TO 7% OF BASE SALARY (COMMENSURATE WITH MANAGEMENT LEVEL), PLUS (2) A CONTRIBUTION STARTING AT 5% (BASED UPON TENURE) FOR ELIGIBLE EARNINGS BEYOND THE IRS DEFINITION OF INCLUDIBLE COMPENSATION ("PENSION PAY CAP"). THE LATTER OF WHICH IS DESIGNED TO HELP RESTORE LOST PENSION BENEFITS FORFEITED UNDER THE QUALIFIED PENSION PLAN FOR EARNINGS OVER THE PENSION PAY CAP LIMIT.

CONTRIBUTIONS ARE ALSO MADE FOR A SMALL GROUP OF SENIOR LEVEL EXECUTIVES WHOSE ESTIMATED RETIREMENT BENEFIT (SOCIAL SECURITY PLUS QUALIFIED PLAN

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.

BENEFITS PLUS 457F) FALLS BELOW 50% - 65% OF FINAL 4-YEAR AVERAGE BASE SALARY WHEN RETIRING AT AGE 65 WITH 22.5 YEARS OF SERVICE. TARGET BENEFIT LEVELS ARE DISCOUNTED FOR YEARS OF SERVICE LESS THAN 22.5 AT AGE 65.

UNLIKE SUTTER HEALTH'S QUALIFIED PENSION PLAN WHERE EMPLOYEE BENEFITS ARE GUARANTEED (I.E., A DEFINED BENEFIT), SUTTER'S NON-QUALIFIED PLAN BENEFITS ARE NOT GUARANTEED BY SUTTER HEALTH. INVESTMENT RISK IS BORNE BY PARTICIPANTS AND BENEFITS ARE NOT PROTECTED SHOULD SUTTER HEALTH BECOME INSOLVENT.

THE FOLLOWING INDIVIDUALS RECEIVED 457(F) NON-QUALIFIED PAYMENTS DURING THE YEAR:

FRANCIS MARZONI - $137,603

RICHARD SLAVIN, MD - $126,544

SCHEDULE J, PART I, LINE 7

NON-FIXED PAYMENTS:

SPOT AWARDS ARE INFREQUENTLY USED TO REWARD EMPLOYEES. THERE ARE NO SPECIFIC GUIDELINES FOR THE AMOUNT OF THE SPOT AWARD BUT THE AMOUNT TENDS

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.

TO NOT EXCEED 5% TO 10% OF GROSS ANNUAL SALARY.

ANNUAL INCENTIVE PLAN (AIP)

THE PURPOSE OF THE PLAN IS TO FOCUS EXECUTIVES ON SPECIFIC, SHORTER-TERM GOALS THAT ARE CRITICAL TO THE ACHIEVEMENT OF AFFILIATE, OPERATING UNIT AND SYSTEM-WIDE OBJECTIVES THAT DRIVE OVERALL ORGANIZATION PERFORMANCE. A PORTION OF THE PLAN AWARD IS DISCRETIONARY IN THAT THE SUPERVISOR MAY ADD UP TO 5% TO THE AWARD PROVIDED THE TOTAL AWARD (FORMULA PORTION PLUS DISCRETIONARY) DOES NOT EXCEED THE MAXIMUM ESTABLISHED FOR ANY GIVEN EXECUTIVE.

LONG TERM PERFORMANCE PLANS

SUTTER HEALTH ALSO EMPLOYS A LONG TERM PERFORMANCE PLAN WHICH IS DESIGNED TO FOCUS ON LONGER TERM STRATEGIC OBJECTIVES OF THE ORGANIZATION. SUTTER'S LONG TERM PERFORMANCE PLAN APPROACH IS A COMBINATION OF BOTH LONGER TERM MEASURES OF ORGANIZATION SUCCESS AND KEY ORGANIZATION STRATEGIES WHICH REQUIRE THE COMBINED EFFORT OF ALL LEADERSHIP TO ACHIEVE SUCCESS.

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

SUTTER USES A COMMON FATE APPROACH IN THAT ALL PLAN PARTICIPANTS ARE MEASURED AGAINST THE SAME, ORGANIZATION-WIDE CRITERIA VS. INDIVIDUAL EFFORTS. THIS FOSTERS A COMMON PURPOSE ACROSS LEADERSHIP AND A SHARED SENSE OF ACCOUNTABILITY FOR THE OVERALL SUCCESS OF SUTTER HEALTH. TO ENSURE THAT EXTRAORDINARY EFFORTS BY INDIVIDUALS CAN BE RECOGNIZED AND THAT ACTIONS OF LEADERSHIP ARE CONSISTENT WITH SUPPORTING SUTTER HEALTH'S OVERALL MISSION, VISION, AND VALUES, SUTTER'S LONG TERM PERFORMANCE PLAN APPROACH ALSO INCORPORATES A COMBINATION OF CEO AND SUTTER HEALTH COMPENSATION COMMITTEE DISCRETION. IN SOME CASES, THE SUTTER HEALTH COMPENSATION COMMITTEE HAS DELEGATED AUTHORITY TO THE PRESIDENT & CEO TO MODIFY INDIVIDUAL AWARDS WITHIN LIMITS THAT HAVE BEEN PRE-APPROVED BY THE SUTTER HEALTH COMPENSATION COMMITTEE. THIS INCLUDES BOTH THE REDUCTION AND INCREASE OF AWARD AMOUNTS. SUCH MODIFICATIONS GENERALLY DO NOT EXCEED +/- 20% AND ARE EMPLOYED JUDICIOUSLY. IN ALL CASES, THE COMPENSATION COMMITTEE OF THE BOARD DETERMINES ACHIEVEMENT OF ORGANIZATION GOALS AND MAKES FINAL AWARD DETERMINATION WHICH MAY RESULT IN A REDUCTION OF AWARD IF APPROPRIATE. ALL SENIOR EXECUTIVE AWARDS ARE REVIEWED FOR COMPENSATION

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.

REASONABLENESS AND APPROVED BY THE COMPENSATION COMMITTEE PRIOR TO

PAYMENT.

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on 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

Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	CSCDA 2008BC	68-0164610	130795TD9	05/14/2008	291,999,417	CONSTRUCT & EQUIP FACILITY		X		X		X
B	CHFFA 2013A	52-1643828	13033LW52	04/24/2013	487,683,000	CONSTRUCT & EQUIP FACILITY		X		X		X
C	CHFFA 2015A	52-1643828	13032UAR9	11/12/2015	204,061,105	REFUND 2005A & 1995 CERTIFICATES		X		X		X
D	CHFFA 2016B	52-1643828	13032UDW5	08/17/2016	901,627,093	REFUND 2005BC & 2003AB	X		X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	307,344,381.	496,927,767.	204,061,105.	901,627,093.
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds	31,655,776.			
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	262,891,121.	483,526,740.		
11	Other spent proceeds	12,797,484.		204,061,105.	901,627,093.
12	Other unspent proceeds		13,401,027.		
13	Year of substantial completion	2015	2014		
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a current refunding issue?	/ X	/ X	X /	/ X
15	Were the bonds issued as part of an advance refunding issue?	/ X	/ X	/ X	X /
16	Has the final allocation of proceeds been made?	X /	X /	X /	X /
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X /	X /	X /	X /

Part III Private Business Use

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

Part III Private Business Use *(Continued)* 1

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	.1800 %		%		.2700 %		.2900 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	.1800 %		%		.2700 %		.2900 %	
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		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		X		X	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X	X		X		X	
b Exception to rebate?		X		X		X		X
c No rebate due?	X			X		X		X
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X		X		X
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		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		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		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

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

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

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

SCHEDULE K

THE ORGANIZATION'S SOLE CORPORATE MEMBER IS A CONDUIT BORROWER OF TAX-EXEMPT BOND ISSUES THAT ALLOCATES PORTIONS OF EACH ISSUE TO CERTAIN SUBSIDIARY ORGANIZATIONS, INCLUDING THE ORGANIZATION. THE OUTSTANDING BOND LIABILITY ALLOCATED TO THIS ORGANIZATION IS REPORTED ON FORM 990, PART X, BALANCE SHEET, AND PART VI HEREIN. WITH THE EXCEPTION OF THIS PORTION OF PART VI, THE SCHEDULE K FOR THIS ORGANIZATION IS REPORTING INFORMATION FOR THE ENTIRE BOND ISSUE.

SCHEDULE K, PART I, COLUMN E

THE ORGANIZATION RECEIVED BOND PROCEEDS IN THE AMOUNTS OF: $89,922,650 FROM THE 2008BC ISSUE; $300,000,000 FROM THE 2013A ISSUE; $128,145,770 FROM THE 2015A ISSUE AND $28,573,250 FROM THE 2016B ISSUE.

THE DIFFERENCE BETWEEN THE ISSUE PRICE REPORTED IN PART I, COLUMN (E) AND THE PROCEEDS OF ISSUE IN PART II, LINE 3 IS DUE TO INVESTMENT EARNINGS.

SCHEDULE K, PART II, LINE 7

ISSUANCE COSTS WERE FUNDED THROUGH EQUITY CONTRIBUTIONS.

SCHEDULE K, PART IV, LINE 2C

THE REBATE COMPUTATION WAS PERFORMED FOR BOND CHFFA 2008BC ON 6/21/2013.

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

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No 1545-0047

2016

Open To Public Inspection

Name of the organization: SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number: 94-1156581

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

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

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total . . . . . ▶ $												

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Part IV Business Transactions Involving Interested Persons.

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	SUBSTANTIAL CONTRIBUTOR #2	SUBSTANTIAL CONTRIBUTOR	4,370,042	INDPNDT CONTRACTOR ARRANGEMENT		X
(2)	SUBSTANTIAL CONTRIBUTOR #5	SUBSTANTIAL CONTRIBUTOR	953,338	INDPNDT CONTRACTOR ARRANGEMENT		X
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information

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

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2016

Open To Public Inspection

Name of the organization: SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

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Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	42.	1,040,814.	FMV OF STOCK
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(ATCH 1)		9.	10,444.	
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶( )				

			Yes	No
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29		
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II			
33	If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

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

SCHEDULE M, PART I, COLUMN (B)

COLUMN (B) REPRESENTS THE NUMBER OF CONTRIBUTIONS RECEIVED.

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

ATTACHMENT 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

DESCRIPTION	(A) CHECK	(B) NUMBER OF CONTRIBUTIONS	(C) REVENUES REPORTED	(D) METHOD OF DETERMINING
GRAND MAYAN TRIP	X	1.	4,999.	FMV
7 DAYS STAY SAN FRANCISCO	X	2.	4,200.	FMV
RESTAURANT GIFT CERT.	X	1.	40.	FMV
MEAL FOR FOUR - JEFFREY'S	X	1.	140.	FMV
MARY FRANCES PURSE	X	1.	400.	FMV
WARDROBE CONSULTATION	X	1.	500.	FMV
FACIAL TREATMENT CERT.	X	1.	65.	FMV
DINNER CARD	X	1.	100.	FMV
TOTALS		9.	10,444.	

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	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.*	2016 Open to Public Inspection

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FORM 990, PART I, LINE 1 AND PART III, LINE 1

WE ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICE, RESEARCH AND EDUCATION.

FORM 990, PART III, LINE 4A

PROGRAM SERVICE ACCOMPLISHMENTS

THE SUTTER BAY MEDICAL FOUNDATION (SBMF) FKA PALO ALTO MEDICAL FOUNDATION FOR HEALTH CARE RESEARCH AND EDUCATION (PAMF) IS A NOT-FOR-PROFIT HEALTH CARE ORGANIZATION THAT IS A PIONEER IN BOTH MULTISPECIALTY GROUP PRACTICE OF MEDICINE AND OUTPATIENT MEDICINE. IN 1993, SUTTER BAY MEDICAL FOUNDATION AFFILIATED WITH SUTTER HEALTH, A FAMILY OF NOT-FOR-PROFIT HOSPITALS AND PHYSICIAN ORGANIZATIONS THAT SHARE RESOURCES AND EXPERTISE TO ADVANCE HEALTH CARE QUALITY. IN 2009, SBMF, MILLS-PENINSULA HEALTH SERVICES (MPHS), SUTTER MATERNITY AND SURGERY CENTER AND MENLO PARK SURGICAL HOSPITAL CAME TOGETHER TO FORM SUTTER HEALTH'S PENINSULA COASTAL REGION. IN 2016, SBMF BEGAN THE PROCESS OF MERGING THE SUTTER BAY AREA MEDICAL FOUNDATIONS TO FORM THE SUTTER BAY MEDICAL FOUNDATION. SERVING COMMUNITIES THROUGHOUT NORTHERN CALIFORNIA, SUTTER HEALTH IS A REGIONAL LEADER IN CARDIAC CARE AS WELL AS CARE OF WOMEN AND CHILDREN, AND IS A PIONEER IN ADVANCED PATIENT SAFETY TECHNOLOGY.

IN 2008, THE PHYSICIANS OF THE FORMER CAMINO MEDICAL GROUP, PALO ALTO MEDICAL CLINIC AND SANTA CRUZ MEDICAL CLINIC MERGED INTO A SINGLE

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PHYSICIAN GROUP CALLED THE PALO ALTO FOUNDATION MEDICAL GROUP (PAFMG) TO CONTRACT WITH SBMF TO PROVIDE PHYSICIAN SERVICES AND IN 2010, A NEW MULTISPECIALTY PHYSICIAN GROUP, PENINSULA MEDICAL CLINIC (PMC), WAS FORMED. IN 2016, SBMF'S 1,450 AFFILIATED PHYSICIANS AND 5,600 EMPLOYEES SERVED 806,222 PATIENTS THROUGH 3,560,857 PATIENT VISITS, 18,745 OUTPATIENT SURGERIES, AND 243,604 URGENT CARE VISITS.

SBMF'S MISSION IS TO ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICES, RESEARCH AND EDUCATION.

SBMF HAS THREE DIVISIONS:

1. HEALTH CARE
2. EDUCATION
3. RESEARCH

HEALTH CARE DIVISION

SBMF'S HEALTH CARE DIVISION CONSISTS OF FIVE DIVISIONS:

1. PALO ALTO, SERVING ALAMEDA, SAN MATEO AND SANTA CLARA COUNTIES
2. CAMINO, SERVING SANTA CLARA COUNTY
3. SANTA CRUZ, SERVING SANTA CRUZ COUNTY
4. MILLS-PENINSULA, SERVING SAN MATEO COUNTY
5. ALAMEDA, SERVING ALAMEDA COUNTY

THESE DIVISIONS OFFER MORE THAN 45 MEDICAL SPECIALTIES, A FULL RANGE OF

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MEDICAL SERVICES, AND STATE-OF-THE-ART TECHNOLOGY. THIS TECHNOLOGY INCLUDES THE MOST ADVANCED DIAGNOSTIC IMAGING AND TREATMENT DEVICES, AN ELECTRONIC HEALTH RECORD SYSTEM, THREE LICENSED ACUTE-CARE FACILITIES, AND ONE ACCREDITED HOME HEALTH AGENCY. SBMF'S ADVANCED CAPABILITIES AND EMPHASIS ON OUTPATIENT CARE ALLOW PHYSICIANS AND STAFF TO MINIMIZE HOSPITALIZATION OF PATIENTS, REDUCING THE OVERALL COST OF MEDICAL CARE SIGNIFICANTLY WHILE MAINTAINING THE HIGHEST QUALITY OF CARE FOR PATIENTS. AS PART OF ITS COMMITMENT TO SERVING ITS COMMUNITY, SBMF PROVIDES CARE TO MEDICALLY INDIGENT PATIENTS AND THOSE ENROLLED IN MEDICARE, MEDI-CAL, AND OTHER GOVERNMENT PROGRAMS WHOSE REIMBURSEMENTS FALL SHORT OF COVERING THE COST OF PROVIDING CARE. THERE ARE A TOTAL OF 57 CLINIC ACROSS SBMF'S DIVISIONS TO FURTHER ITS COMMITMENT TO SERVING ITS COMMUNITY, 16 WITHIN PALO ALTO, 17 WITHIN CAMINO, 15 WITHIN SANTA CRUZ, 5 WITHIN MILLS-PENINSULA AND 4 WITHIN ALAMEDA.

RECENT ACHIEVEMENTS

- FOR OVER A DECADE NOW, THE INTEGRATED HEALTHCARE ASSOCIATION (IHA) NAMED SBMF (FKA PAMF) AS ONE OF THE MOST OUTSTANDING PHYSICIAN GROUPS IN CALIFORNIA BASED ON ITS PAY-FOR-PERFORMANCE (P4P) PROGRAM. IN OVERALL PERFORMANCE, SBMF RANKED AS A "TOP PERFORMER" IN PATIENT EXPERIENCE, INFORMATION TECHNOLOGY AND CLINICAL QUALITY, SUCH AS CANCER SCREENINGS, IMMUNIZATIONS AND DIABETES CARE.

- SBMF RECEIVED THE HIGHEST RECOGNITION - ELITE STATUS OF FOUR STARS - FROM THE CALIFORNIA ASSOCIATION OF PHYSICIAN GROUPS (CAPG) IN ITS ANNUAL

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STANDARDS OF EXCELLENCE SURVEY IN 2016. THE VOLUNTARY SURVEY ASSESSES HOW WELL CALIFORNIA MEDICAL GROUPS MEET THE EXPECTATIONS OF HEALTH CARE PURCHASERS AND PATIENTS. IT FOCUSES ON TOOLS AND PROCESSES THAT IMPROVE AFFORDABILITY AND PATIENT EXPERIENCE.

- SBMF IS CURRENTLY RATED FOUR OUT OF FOUR STARS FOR PATIENT EXPERIENCE BY THE CALIFORNIA OFFICE OF THE PATIENT ADVOCATE (OPA) IN A STATEWIDE ASSESSMENT OF ALL MEDICAL GROUPS. MEDICAL GROUPS ARE RANKED IN TWO CATEGORIES: MEETING NATIONAL STANDARDS OF CARE AND PATIENT RATINGS. THE OPA, AN INDEPENDENT STATE OFFICE IN CONJUNCTION WITH THE DEPARTMENT OF MANAGED HEALTH CARE, WAS CREATED TO REPRESENT THE INTERESTS OF HEALTH PLAN MEMBERS TO GET THE CARE THEY DESERVE AND TO PROMOTE TRANSPARENCY AND QUALITY HEALTH CARE BY PUBLISHING AN ANNUAL QUALITY OF CARE REPORT CARD.

- SBMF RECEIVED A THREE-YEAR ACCREDITATION FROM THE INSTITUTE OF MEDICAL QUALITY (IMQ) IN 2013. RECOGNIZED BY THE MEDICAL BOARD OF CALIFORNIA, MANY LIABILITY CARRIERS, WORKERS' COMPENSATION AND INSURERS, IMQ'S AMBULATORY PROGRAM WAS DESIGNED TO PROMOTE QUALITY CARE AND ASSURE COMPLIANCE WITH GOVERNMENT REGULATIONS.

- PETER P. YU, M.D., DIRECTOR OF CANCER RESEARCH AT SBMF, WAS ELECTED PRESIDENT OF THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY (ASCO), FOR A ONE-YEAR TERM THAT BEGAN ON JUNE 2014.

- SBMF'S VASCULAR CARE DEPARTMENT REACHED A SIGNIFICANT PROGRAM MILESTONE

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WITH THEIR PARTICIPATION IN THE VASCULAR QUALITY INITIATIVE® (VQI) OF THE SOCIETY FOR VASCULAR SURGERY (SVS), A NATIONAL REGISTRY AND OUTCOMES REPORTING SYSTEM DESIGNED TO IMPROVE VASCULAR HEALTH CARE.

- AROUND 85 PERCENT OF SBMF'S ADULT PATIENTS ARE NOW USING MY HEALTH ONLINE. IN 2012 ACCESS WAS ENHANCED WITH THE CREATION AND IMPLEMENTATION OF THE MY HEALTH ONLINE MOBILE FORMATS VIA THE MYCHART APP ON BOTH ANDROID AND APPLE DEVICES. THESE TOOLS CONTINUE TO BE ENHANCED.

- SBMF'S DAVID DRUKER CENTER FOR HEALTH SYSTEMS INNOVATION LAUNCHED ITS LINKAGES TIMEBANK PILOT IN MOUNTAIN VIEW. SBMF'S LINKAGES INITIATIVE IS PIONEERING NEW WAYS TO SUPPORT SENIORS IN THE COMMUNITY TO LIVE A MEANINGFUL LIFE AND TO AGE IN PLACE.

- IN JUNE 2012, CIGNA AND SBMF LAUNCHED A COLLABORATIVE ACCOUNTABLE CARE INITIATIVE TO EXPAND PATIENT ACCESS TO HEALTH CARE, IMPROVE CARE COORDINATION, AND ACHIEVE THE "TRIPLE AIM" OF IMPROVED HEALTH OUTCOMES (QUALITY), LOWER TOTAL MEDICAL COSTS AND INCREASED PATIENT SATISFACTION. THIS PATIENT-CENTERED COLLABORATION WAS CIGNA'S FIRST ACCOUNTABLE CARE INITIATIVE IN CALIFORNIA.

FORM 990, PART III, LINE 4A (CONTINUED)
RESEARCH DIVISION
SBMF'S RESEARCH PROGRAMS ARE NATIONALLY KNOWN AND CONTRIBUTED SIGNIFICANTLY TO IDENTIFYING WAYS TO IMPROVE THE DELIVERY OF HEALTHCARE. IN 2016, PAMFRI PARTICIPATED IN 100 CLINICAL TRIALS AND 40+

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EXTERNALLY-FUNDED AWARDS OR CONTRACTS WITH FEDERAL OR QUASI-FEDERAL AGENCIES. PAMFRI'S INVESTIGATORS PUBLISHED 59 MANUSCRIPTS DURING THE PERIOD.

THE CLINICAL STUDIES PERTAINED TO A WIDE RANGE OF HEALTH ISSUES WITH THE MAJORITY FOCUSING ON ONCOLOGY, CARDIOVASCULAR AND PULMONARY DISEASES. THE AWARDS AND CONTRACTS FOCUSED ON ISSUES INCLUDING GERIATRICS, PRE-DIABETES AND DIABETES MANAGEMENT, BREAST CANCER, AND CHRONIC PAIN MANAGEMENT. MANY OF THE RESEARCH ENDEAVORS INCLUDING PATIENTS, CAREGIVERS AND CLINICIANS IN THE DISCOVERY AND DISSEMINATION OF RESULTS.

SUTTER BAY MEDICAL FOUNDATION RESEARCH INSTITUTE (SBMFRI) RECEIVED SPONSORSHIPS AND FUNDING FROM NUMEROUS PROMINENT ORGANIZATIONS INCLUDING:

- NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES
- NATIONAL HEART, LUNG, AND BLOOD INSTITUTE
- PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE (PCORI)
- NATIONAL INSTITUTE ON AGING
- NATIONAL INSTITUTE ON MINORITY HEALTH AND HEALTH DISPARITIES
- AGENCY FOR HEALTHCARE RESEARCH AND QUALITY (AHRQ)
- CENTERS FOR MEDICARE AND MEDICARE SERVICES
- SUTTER BAY MEDICAL FOUNDATION (SBMF)
- SUTTER HEALTH
- RICHARD & SUSAN LEVY FAMILY TRUST
- GORDON AND BETTY MOORE FOUNDATION

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- CALIFORNIA BREAST CANCER RESEARCH PROGRAM
- CALIFORNIA HEALTHCARE FOUNDATION
- JOHN A. HARTFORD FOUNDATION

EDUCATION DIVISION

SBMF'S EDUCATION DIVISION PROVIDES HEALTH EDUCATION THROUGH HEALTH PROMOTION CLASSES, SUPPORT GROUPS AND COMMUNITY OUTREACH. IT PROVIDES FINANCIAL SUPPORT TO COMMUNITY ORGANIZATIONS, PROJECTS RELATED TO HEALTH CARE, IN-KIND ASSISTANCE THROUGH DONATIONS OF MEDICAL EQUIPMENT, AND HEALTH FAIRS AND PROGRAMS. SBMF'S HEALTH EDUCATION PROGRAMS FOCUS ON WELLNESS, PRENATAL/POSTPARTUM CARE AND DISEASE MANAGEMENT.

SBMF ALSO OFFERS NEED-BASED SCHOLARSHIPS FOR EDUCATION CLASSES. IN ADDITION, THE EDUCATION DIVISION OFFERS FREE COMMUNITY LECTURES, HEALTH RESOURCE CENTERS, SUPPORT GROUPS, AND PROVIDES RELIABLE HEALTH INFORMATION TO THE PUBLIC THROUGH SBMF'S WEBSITE, WWW.PAMF.ORG. SEPARATE WEB SITES FOR PRETEENS, TEENS AND PARENTS OFFER MEDICALLY ACCURATE AND AGE-APPROPRIATE INFORMATION FOR THOSE IN THE COMMUNITY AND AROUND THE WORLD. THE TEEN AND PRE-TEEN SITES HAVE RECEIVED MILLIONS OF VISITS EACH FROM AROUND THE WORLD SINCE IT LAUNCHED IN 2001 AND 2004, RESPECTIVELY. SBMF IS COMMITTED TO BEING AN ACTIVE MEMBER OF THE COMMUNITIES IT SERVES, AND SUPPORTS VARIOUS COMMUNITY PROGRAMS AND SERVICES SUCH AS PROJECTS AND EDUCATIONAL ACTIVITIES WITH LOCAL SCHOOL DISTRICTS, AND PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS, INCLUDING CLOSE PARTNERSHIPS WITH COMMUNITY CLINICS IN UNDERSERVED AREAS. SBMF'S PHYSICIANS AND STAFF MEMBERS ALSO

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DONATE HUNDREDS OF HOURS TO COMMUNITY SERVICE.

COMMUNITY BENEFIT

IN 2016, SBMF PROVIDED OVER $26.6 MILLION IN SERVICES FOR THE POOR AND UNDERSERVED AND NEARLY $15.3 MILLION IN COMMUNITY BENEFITS FOR THE BROADER COMMUNITY. IN ADDITION, EACH YEAR SBMF PHYSICIANS AND STAFF DONATE HUNDREDS OF HOURS TO COMMUNITY SERVICE.

SBMF'S COMMUNITY BENEFIT EFFORTS INCLUDE MYRIAD PROGRAMS AND BENEFITS FOR THE BROADER COMMUNITY, INCLUDING BUT NOT LIMITED TO:

- MONETARY DONATIONS AND IN-KIND SUPPORT TO LOCAL COMMUNITY GROUPS AND ORGANIZATIONS
- HEALTH EDUCATION CLASSES, LECTURES AND PRESENTATION TO THE COMMUNITY
- ON-SITE CLINICAL EDUCATION PROGRAMS AND PRECEPTORSHIPS FOR MEDICAL STUDENTS, MEDICAL RESIDENTS, MEDICAL FELLOWS, NURSING STUDENTS, LABORATORY TECHNOLOGISTS, RADIOLOGY TECHNOLOGISTS, PHARMACY STUDENTS
- COMMUNITY ORGANIZATION BOARD MEMBERSHIPS
- SCHOOL-BASED HEALTH AND WELLNESS PROGRAMS
- CHILDHOOD NUTRITION PROGRAMS IN LOCAL SCHOOLS
- HEALTH EDUCATION PRESENTATIONS IN LOCAL ORGANIZATIONS WITH AT-RISK POPULATIONS, ETHNICALLY DIVERSE POPULATIONS, AGE-FOCUSED HEALTH AND WELLNESS
- DISEASE SPECIFIC PROGRAMS FOR REQUESTING COMMUNITY ORGANIZATIONS AND ON-SITE PROGRAMS WHICH ARE FREE AND OPEN TO ALL COMMUNITY MEMBERS
- SENIOR FAIRS

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- TEEN MENTAL HEALTH OUTREACH AND COLLABORATIONS

- DISEASE SPECIFIC SUPPORT GROUPS

- COMMUNITY HEALTH RESOURCE CENTERS AVAILABLE TO PATIENTS AND COMMUNITY MEMBERS FOR ASSISTANCE WITH HEALTH AND WELLNESS RESOURCES, DISEASE SPECIFIC RESOURCES AND COMMUNITY RESOURCES

- FREE MAMMOGRAPHY PROJECT WITH RAVENSWOOD FAMILY HEALTH CENTER (PROVIDING HUNDREDS OF FREE MAMMOGRAPHIES AND BREAST HEALTH COUNSELING TO LOW INCOME WOMEN)

- FREE HIGH SCHOOL SPORTS PHYSICALS

- PHYSICIANS STAFFING OPPORTUNITY CENTER MEDICAL CLINIC IN PALO ALTO

- SUPPORT OF THE HEALTHY KIDS PROGRAMS IN SANTA CRUZ AND SANTA CLARA COUNTIES

- MONETARY SUPPORT TO COMMUNITY CLINICS IN SANTA CLARA AND SAN MATEO COUNTIES FOR ACCESS TO CARE INITIATIVES

PALO ALTO MEDICAL FOUNDATION SERVES THE COMMUNITY BY ENCOURAGING FINANCIAL SUPPORT FROM THE COMMUNITY AND CORPORATIONS TO ENHANCE THE QUALITY OF HEALTHCARE IN THE REGION. IN 2016, DONORS CONTRIBUTED MORE THAN $21 MILLION TO FUND CUTTING-EDGE RESEARCH AND IMPLEMENT PROGRAMS SUCH AS THE INTERVENTIONAL PULMONOLOGY PROGRAM, WHICH IS ITS FIRST CLINICAL TRIAL USING ROBOTIC-ASSISTED BRONCHOSCOPY -- A GROUNDBREAKING MINIMALLY INVASIVE PROCEDURE THAT WILL GIVE DOCTORS ACCURATE AND RELIABLE ACCESS TO PERIPHERAL LUNG LESIONS. DONOR SUPPORT ALSO FUNDS CAPITAL REQUESTS, VARIOUS SCHOLARSHIPS, ENDOWMENTS AND COMMUNITY PROGRAMS WHICH ENHANCE THE LEVEL OF CARE THROUGHOUT THE COMMUNITIES WE SERVE.

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PHILANTHROPY ENABLES TRAILBLAZING RESEARCH, PROVIDES ACCESS TO CUTTING-EDGE TECHNOLOGIES AND ENGENDERS A STARTUP ENVIRONMENT WITHIN A NATIONALLY ACCLAIMED HEALTHCARE NETWORK. A $9 MILLION ESTATE BEQUEST EARMARKED FOR RESEARCH, ALLOWED US TO SECURE AN ADDITIONAL $1.5 MILLION FOR GYNECOLOGIC ONCOLOGY RESEARCH HELPING TO BRING NEW TREATMENTS TO WOMEN FACING THESE DEVASTATING DISEASES.

OTHER AREAS OF IMPACT FROM PHILANTHROPY DONATIONS INCLUDED:

- AN IDEA AT SBMFRI TO BUILD A BIOBANK AS A CORNERSTONE FOR RESEARCH OF MORE PERSONALIZED TREATMENTS AND PREDICTIVE CARE FOR OUR DIVERSE PATIENT BASE STARTED, BLOSSOMED TO A SUTTER WIDE INITIATIVE, RAISING MORE THAN 4 MILLION DOLLARS FROM PRIVATE AND CORPORATE DONATIONS WHICH WAS MATCHED BY SUTTER. WE ARE PROUD TO ANNOUNCE THAT WE BEGAN ACCEPTING ENROLLMENTS BY PATIENTS TO PARTICIPATE IN THE BIOBANK INITIATIVE, WHICH WILL BE ONE OF THE LARGEST BIOBANKS IN THE COUNTRY WHEN WE REACH OUR TARGET OF 100,000 PARTICIPANTS.

- ALSO UNIQUE IN THE COUNTRY AND LED BY SBMFRI, IS OPHTHALMOLOGY RESEARCH TO IMPROVE CAE FOR CHILDREN WITH "LAZY EYE" - THE MOST COMMON PROBLEM TREATED BY PEDIATRIC OPHTHALMOLOGISTS WORLDWIDE. THE RESEARCH WILL WIRELESSLY TRACK HOW CLOSELY CHILDREN FOLLOW EYE PATCHING TREATMENTS WHICH WILL HELP TO FINE TUNE DOSING AND TIMING FOR OPTIMAL RESULTS.

- MILLIONS MORE HAVE BEEN EARMARKED TO SUPPORT OUR CARDIOVASCULAR SERVICE

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LINE, TO MAKE OUR SERVICES A NATIONAL DESTINATION OF CHOICE WITH ABOVE NATIONAL AVERAGE OUTCOMES FOR OUR TREATMENT MODALITIES. THESE GIFTS ALSO ALLOW US TO BRING IN THE VERY LATEST IMAGING TECHNOLOGIES AND NON-INVASIVE TREATMENTS TO CARE FOR OUR PATIENTS.

- IN CANCER CARE, PHILANTHROPY WILL LAY THE GROUNDWORK FOR NURSE NAVIGATION FOR ALL BREAST CANCER PATIENTS, WITH THE GOAL OF EXPANDING THESE SUPPORT SERVICES TO ALL CANCER DIAGNOSES. THIS BUILDS ON OUR FUNDRAISING AND DEPLOYMENT OF 19 DIGITAL BREAST TOMOSYNTHESIS SYSTEMS FOR ALL SBMF SCREENING CLINICS.

- OFTEN TIMES DONORS DO NOT DESIGNATE A SPECIFIC PROGRAM OR PIECE OF EQUIPMENT FOR THEIR GIFTS, BUT INSTEAD PUT THEIR TRUST IN SBMF TO PUT THE MONEY WHERE THERE IS THE GREATEST NEED. THIS YEAR SBMF STARTED A GRANTS AND DISBURSEMENTS PROGRAM, WHERE $1.2 MILLION IN UNRESTRICTED PHILANTHROPY DOLLARS WERE GRANTED TO 12 INNOVATIVE SBMF PROJECTS, BROUGHT FORWARD BY THE DOCTORS AND STAFF. INNOVATIVE PROJECTS FUNDED WITH THIS PROGRAM INCLUDED PILOTS IN PAIN-FREE PEDIATRICS, INTEGRATION OF PHARMACISTS AND PAIN MANAGEMENT SPECIALISTS TO BETTER MANAGE THE OPIOID CRISIS, ADVANCED URONAV SCREENING FOR PROSTATE CANCER FOR PALO ALTO AND SANTA CRUZ, AND OBJECTIVE PEDIATRIC VISION SCREENING WITH THE AIM OF TESTING ALL 3 YEAR OLDS IN THEIR PRIMARY CARE VISITS.

PHILANTHROPY CONTINUES TO SUPPORT THE PALLIATIVE CARE PROGRAM, ADOLESCENT BEHAVIORAL HEALTH PROGRAM, THE INNOVATION CENTER, THE RESEARCH INSTITUTE,

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AND OTHER PROGRAMS OF EXCELLENCE SUCH AS ONCOLOGY, CARDIOLOGY, AND HEALTH EDUCATION THROUGHOUT THE COMMUNITY.

FORM 990, PART VI, LINE 4

SIGNIFICANT BYLAWS CHANGES

FORMER NAME: PALO ALTO MEDICAL FOUNDATION

REVISED NAME: SUTTER BAY MEDICAL FOUNDATION

FORM 990, PART VI, LINES 6 & 7A

THIS CORPORATION IS AN AFFILIATE OF SUTTER HEALTH, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION. SUTTER HEALTH IS THE SOLE MEMBER WITH THE RIGHT TO ELECT AT LEAST A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, LINE 7B

SUTTER HEALTH AS THE SOLE MEMBER OF THE ORGANIZATION IS ENTITLED TO EXERCISE FULLY ALL RIGHTS AND PRIVILEGES OF MEMBERS OF NONPROFIT CORPORATIONS UNDER THE CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION LAW, AND ALL OTHER APPLICABLE LAWS. THE MEMBER HAS THE RIGHTS AND POWERS TO APPOINT (AND REMOVE) MEMBERS OF THE CORPORATION'S BOARD OF DIRECTORS, SUBJECT TO THE PROVISIONS OF THE BYLAWS. IN ADDITION, THE MEMBER HAS THE RIGHT TO APPROVE THE FOLLOWING ACTIONS OF THE CORPORATION'S BOARD OF DIRECTORS:

(A) MERGER, CONSOLIDATION, REORGANIZATION OR DISSOLUTION OF THE CORPORATION OR ANY AFFILIATED ENTITY;

Name of the organization	Employer identification number
SUTTER BAY MEDICAL FOUNDATION FKA PALO ALTO MEDICAL FOUNDATION	94-1156581

(B) AMENDMENT OR RESTATEMENT OF THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION OR ANY AFFILIATED ENTITY;

(C) ADOPTION OF OPERATING BUDGETS OF THE CORPORATION OR ANY AFFILIATED ENTITY, INCLUDING CONSOLIDATED OR COMBINED BUDGETS OF THE CORPORATION AND ALL SUBSIDIARY ORGANIZATIONS OF THE CORPORATION;

(D) ADOPTION OF CAPITAL BUDGETS OF THE CORPORATION OR ANY AFFILIATED ENTITY;

(E) AGGREGATE OPERATING OR CAPITAL EXPENDITURES THAT EITHER EXCEED PREVIOUSLY APPROVED OPERATING OR CAPITAL BUDGETS, OR ARE UNBUDGETED, IF THE AMOUNT IN EXCESS OR THE UNBUDGETED EXPENDITURE IS HIGHER THAN THE SIGNATURE AUTHORITY OF THE PRESIDENT AND CEO OF THE GENERAL MEMBER;

(F) LONG-TERM OR MATERIAL AGREEMENTS OF THE CORPORATION OR ANY AFFILIATED ENTITY INCLUDING, BUT NOT LIMITED TO, BORROWINGS, EQUITY FINANCINGS, CAPITALIZED LEASES AND INSTALLMENT CONTRACTS; AND PURCHASE, SALE, LEASE, DISPOSITION, HYPOTHECATION, EXCHANGE, GIFT, PLEDGE, OR ENCUMBRANCE OF ANY ASSET, REAL OR PERSONAL, WITH A FAIR MARKET VALUE IN EXCESS OF THE SIGNATURE AUTHORITY OF THE PRESIDENT AND CEO OF THE GENERAL MEMBER;

(G) APPOINTMENT OF AN INDEPENDENT AUDITOR BY THE CORPORATION OR ANY AFFILIATED ENTITY;

Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

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(H) THE HIRING OF INDEPENDENT COUNSEL BY THE CORPORATION OR ANY AFFILIATED ENTITY, UNLESS AT LEAST TWO-THIRDS (2/3) OF THE BOARD IN OFFICE ON THE DAY OF A VOTE DETERMINE THAT A MATERIAL CONFLICT OF INTEREST EXISTS BETWEEN THE CORPORATION AND THE GENERAL MEMBER AND, THEREFORE, THE BOARD MUST ENGAGE INDEPENDENT COUNSEL TO ASSIST IN EXERCISING THE BOARD'S FIDUCIARY DUTIES. TO PRESERVE THE INDEPENDENCE OF COUNSEL RETAINED PURSUANT TO THIS PROVISION, THE GENERAL MEMBER SHALL NOT CLAIM THAT ANY COMMUNICATION BETWEEN SUCH INDEPENDENT COUNSEL AND ANY PERSON ACTING ON BEHALF OF THE CORPORATION, EVEN IF THAT PERSON IS ALSO AN EMPLOYEE, OFFICER OR AGENT OF THE GENERAL MEMBER, CONSTITUTES A WAIVER OF THE ATTORNEY-CLIENT PRIVILEGE OR WORK-PRODUCT PROTECTION;

(I) THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE AS THAT TERM IS DEFINED IN CALIFORNIA CORPORATIONS CODE SECTION 150;

(J) CONTRACTING WITH ANY THIRD PARTY FOR ALL OR SUBSTANTIALLY ALL OF THE MANAGEMENT OF THE ASSETS OR OPERATIONS OF THE CORPORATION OR ANY AFFILIATED ENTITY;

(K) APPROVAL OF BUSINESS PLANS TO DEVELOP MAJOR PROGRAMS AND CLINICAL SERVICES OF THE CORPORATION OR ANY AFFILIATED ENTITY. MAJOR NEW PROGRAMS AND CLINICAL SERVICES SHALL INCLUDE, BUT NOT BE LIMITED TO: (I) ANY NEW PROGRAMS OR SERVICES THAT REQUIRE APPROVAL AND/OR ADDITIONAL LICENSURE FROM ANY REGULATORY AGENCY, OR (II) ANY OTHER PROGRAMS OR SERVICES THE

Name of the organization	Employer identification number
SUTTER BAY MEDICAL FOUNDATION FKA PALO ALTO MEDICAL FOUNDATION	94-1156581

GENERAL MEMBER DEEMS MAJOR;

(L) APPROVAL OF STRATEGIC PLANS OF THE CORPORATION OR ANY AFFILIATED ENTITY;

(M) ADOPTION OF QUALITY IMPROVEMENT POLICIES NOT IN CONFORMITY WITH POLICIES ESTABLISHED BY THE GENERAL MEMBER;

(N) ANY SELF-DEALING TRANSACTION BETWEEN A DIRECTOR OF THE CORPORATION AND THE CORPORATION OR A SUBSIDIARY OF THE CORPORATION; OR

(O) REHIRING, CONTRACTING WITH, OR OTHERWISE COMPENSATING A SUTTER HEALTH EXECUTIVE, OR ANY OFFICER OR MEMBER OF MANAGEMENT OF THE CORPORATION OR ANY AFFILIATED ENTITY AFTER THEIR EMPLOYMENT HAS ENDED.

FORM 990, PART VI, LINE 11B
SUTTER HEALTH HAS A CENTRALIZED TAX DEPARTMENT RESPONSIBLE FOR THE PREPARATION OF THE FORM 990. ANNUALLY THE TAX DEPARTMENT PROVIDES TRAINING AND EDUCATION TO AFFILIATE PERSONNEL WHO ASSIST THE TAX DEPARTMENT IN COLLECTING AND REVIEWING DATA TO BE REPORTED ON THE FORM 990. THE PREPARATION MATERIAL IS REVIEWED BY VARIOUS DEPARTMENTS INCLUDING TAX, FINANCE, LEGAL, AND HUMAN RESOURCES. A NATIONAL ACCOUNTING FIRM PREPARES AND/OR REVIEWS THE RETURN. A COMPLETED RETURN IS THEN REVIEWED BY THE TAX DEPARTMENT, THE AFFILIATE, AND THE CFO BEFORE THE RETURN IS FILED.

Name of the organization	Employer identification number
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FORM 990, PART VI, LINE 12

EMPLOYEES ARE EDUCATED ON THE CONFLICT OF INTEREST POLICY AND THE NEED TO MAKE DISCLOSURE AS PART OF ANNUAL COMPLIANCE EDUCATION. IN ADDITION, ANNUALLY A DISCLOSURE STATEMENT IS COMPLETED BY ALL DIRECTORS AND OFFICERS THAT INCLUDES AN ACKNOWLEDGEMENT THAT THEY HAVE READ THE CONFLICT OF INTEREST POLICY. ON THIS STATEMENT THE INDIVIDUAL WILL LIST A WIDE RANGE OF INFORMATION WHICH INCLUDES BUSINESS RELATIONSHIPS, EMPLOYMENT RELATIONSHIPS, PROPERTY INTERESTS, AND THOSE OF RELATED PARTIES. THE CEO AND BOARD CHAIR WILL REVIEW THE STATEMENTS AND MONITOR SITUATIONS THAT MAY POSE A POTENTIAL CONFLICT OF INTEREST. THE CEO AND BOARD CHAIR MAY CONSULT WITH THE OFFICE OF THE GENERAL COUNSEL AS NECESSARY. IF THERE IS A POTENTIAL CONFLICT OF INTEREST RELATED TO A PARTICULAR TRANSACTION, THE INTERESTED INDIVIDUAL MUST DISCLOSE THE EXISTENCE AND NATURE OF THE RELATIONSHIP. THE BOARD CHAIR MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE THE CONFLICT. UNTIL THE POTENTIAL CONFLICT IS RESOLVED, THE BOARD CHAIR MAY REQUEST THE INDIVIDUAL TO NOT PARTICIPATE DURING RELATED PRESENTATIONS AND DISCUSSIONS. IN ALL CIRCUMSTANCES INVOLVING AN ACTUAL CONFLICT, THE INTERESTED INDIVIDUAL SHALL REFRAIN FROM VOTING ON ANY MATTER RELATED TO THE TRANSACTION.

FORM 990, PART VI, LINES 15A & 15B

THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ASSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED. THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND

Name of the organization	Employer identification number
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THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION.

IN ORDER TO ENSURE EXTERNAL COMPETITIVENESS, NATIONAL COMPENSATION DATA COMPARISONS ARE REVIEWED. COMPETITIVE ANALYSIS INCLUDES: (A) BASE SALARY, (B) TOTAL CASH (BASE SALARY + ANNUAL INCENTIVE), (C) TOTAL DIRECT CASH (BASE SALARY + ANNUAL INCENTIVE + LONG TERM INCENTIVE) AND (D) TOTAL REMUNERATION (BASE SALARY + ANNUAL INCENTIVE + BENEFITS AND LONG TERM INCENTIVE).

THIS ANALYSIS INCLUDES NATIONAL COMPARISONS FOR ORGANIZATIONS SIMILAR IN SIZE, SCOPE AND COMPLEXITY AS SUTTER HEALTH. THIS METHOD IS MOST APPROPRIATE SINCE IT IS A NATIONAL MARKETPLACE IN WHICH SUTTER COMPETES FOR EXECUTIVE TALENT.

OFFICERS AND KEY EMPLOYEES OF THIS ORGANIZATION UNDERGO AN ANNUAL REVIEW BY THE COMPENSATION COMMITTEE OR A DELEGATED SUB-COMMITTEE. APPROVAL IS RECORDED IN THE MINUTES. EXECUTIVE COMPENSATION REVIEW WAS LAST COMPLETED IN DECEMBER 2016.

FORM 990, PART VI, LINE 19
THE SUTTER HEALTH SYSTEM POSTS ITS CURRENT AND PAST AUDITED FINANCIAL STATEMENTS AT SUTTERHEALTH.ORG. OTHER DOCUMENTS ARE ALSO LOCATED AT THIS WEBSITE INCLUDING THE ANNUAL REPORT, MISSION STATEMENT, HISTORY, AND LINKS TO AFFILIATE WEBSITES. THE GOVERNING DOCUMENTS ARE NOT AVAILABLE TO

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THE PUBLIC AT THIS TIME.

FORM 990, PART VII

THE FOLLOWING BOARD MEMBER OF THE ORGANIZATION IS A FULL-TIME EMPLOYEE (40 HOURS PER WEEK) OF SUTTER HEALTH AND THEIR SUTTER HEALTH SALARY IS REPORTED HEREIN. THIS INDIVIDUAL RECEIVES NO COMPENSATION FOR THEIR SERVICE AS A BOARD MEMBER OF THIS ORGANIZATION.

- JEFF GERARD

- SARAH KREVANS

KATHERINE HSIAO'S COMPENSATION WAS FOR SERVICES PROVIDED AS AN INDEPENDENT CONTRACTOR AND NOT FOR SERVICES PROVIDED AS A BOARD MEMBER OF SBMF.

FORM 990, PAXT XI, LINE 9

EQUITY TRANSFERS (NET)	$ (908,568)
K-1 ACTIVITY	$ (1,631,008)
PARTNERSHIP INCOME ON BOOKS	$ 1,422,278
ANNUITY TRUE-UP	$ 252,222
CHANGE IN SPLIT INTEREST	$ 172,682
MISCELLANEOUS	$ (4)
TOTAL	$ (692,398)

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ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
FIRST AMERICAN TITLE CO NATL COMM SRVCS 1850 MT DIABLO BLVD, STE 300 WALNUT CREEK, CA 94596	REAL EST TITLE SRVCS	33,259,517.
RIGHTSOURCING INC PO BOX 515743 LOS ANGELES, CA 90051-5118	STAFFING SERVICES	6,267,368.
BRILLIANT GENERAL MAINTENANCE 954 CHESTNUT STREET SAN JOSE, CA 95110	MAINTENANCE SERVICES	5,206,034.
EXCEL SPORTS MEDICINE 2450 EL CAMINO REAL, STE 101 PALO ALTO, CA 94306	REHABILIATION SRVCS	4,943,219.
CARDIOVASCULAR MED & CARDIAC ARRHYTHMIAS 1950 UNIVERSITY AVE, STE 160 PALO ALTO, CA 94303	PHYSICIAN SERVICES	4,512,000.

ATTACHMENT 2

FORM 990, PART IX - OTHER FEES

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
MEDICAL GROUP COMPENSATION	716,503,445.	683,895,261.	32,608,184.	0.
THERAPISTS AND OTHER MEDICAL	1,691,936.	1,691,936.	0.	0.
NURSE REGISTRY	1,336,370.	1,336,370.	0.	0.
PROFESSIONAL FEES - PHYSICIANS	1,030,110.	123,759.	906,351.	0.
AIDES AND ORDERLIES	419.	419.	0.	0.
TOTALS	720,562,280.	687,047,745.	33,514,535.	0.

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

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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)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) ADOLESCENT TREATMENT CENTERS, INC. 68-0088443 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	X	
(2) BETTER HEALTH EAST BAY FOUNDATION 51-0160184 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER EBH	X	
(3) CALIFORNIA PACIFIC MEDICAL CTR FOUND 94-2728423 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER BH	X	
(4) EAST BAY PERINATAL CENTER 51-0172285 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	X	
(5) EDEN MEDICAL CENTER 94-2948100 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	10	SUTTER HLTH	X	
(6) MEMORIAL HOSPITAL FOUNDATION 94-2290244 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	12A - I	SUTTER CVH	X	
(7) MILLS-PENINSULA HEALTH SERVICES 94-1156265 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER BMF	X	

SCHEDULE R (Form 990)

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Related Organizations and Unrelated Partnerships

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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)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) MILLS-PENINSULA HOSPITAL FOUNDATION 23-7288765 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER BH	X	
(2) SAMUEL MERRITT UNIVERSITY 94-2992642 450 30TH STREET, STE 2840 OAKLAND, CA 94609	UNIVERSITY	CA	501(C)(3)	2	SUTTER EBH	X	
(3) SUTTER AUBURN FAITH HOSPITAL FOUNDATION 94-2594966 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER VH	X	
(4) SUTTER BAY HOSPITALS 94-0562680 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(5) SUTTER CENTRAL VALLEY HOSPITALS 94-1080917 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(6) SUTTER COAST HOSPITAL 94-2988520 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(7) SUTTER DAVIS HOSPITAL FOUNDATION 68-0217870 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER VH	X	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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Name of the organization SUTTER BAY MEDICAL FOUNDATION
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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)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SUTTER EAST BAY HOSPITALS 94-1196176 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(2) SUTTER EAST BAY MEDICAL FOUNDATION 94-2690415 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	12B - II	SUTTER HLTH	X	
(3) SUTTER GOULD MEDICAL FOUNDATION 94-1682256 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	X	
(4) SUTTER HEALTH 94-2788907 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833	SUPPORTING OR	CA	501(C)(3)	12C III-FI	N/A		X
(5) SUTTER HEALTH PACIFIC 99-0298651 91-2301 FT. WEAVER RD EWA BEACH, HI 96706	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(6) SUTTER HEALTH PLAN 46-1183948 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTH PLAN	CA	501(C)(4)	N/A	SUTTER HLTH	X	
(7) SUTTER INSURANCE SERVICES CORPORATION 99-0289310 745 FORT STREET, SUITE 1100 HONOLULU, HI 96813	INSURANCE SER	HI	501(C)(3)	12C III-FI	SUTTER HLTH	X	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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Name of the organization SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

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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)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SUTTER MEDICAL CENTER FOUNDATION 94-2788906 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER VH	X	
(2) SUTTER MEDICAL CENTER CASTRO VALLEY 77-0146047 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(3) SUTTER ROSEVILLE MEDICAL CTR FOUNDATION 68-0040113 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER VH	X	
(4) SUTTER SOLANO CHARITABLE FOUNDATION 94-2668262 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	7	SUTTER VH	X	
(5) SUTTER VALLEY HOSPITALS 94-1156621 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	X	
(6) SUTTER VALLEY MEDICAL FOUNDATION 68-0273974 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	12B - II	SUTTER HLTH	X	
(7) SUTTER VISITING NURSE ASSOC AND HOSPICE 94-6068843 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	10	SUTTER HLTH	X	

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 SUTTER BAY MEDICAL FOUNDATION
FKA PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SUTTER WEST BAY MEDICAL FOUNDATION 94-2948131 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	X	
(2) TRACY HOSPITAL FOUNDATION 68-0318845 C/O SH TAX 2200 RIVER PLAZA DR SACRAMENTO, CA 95833	FUNDRAISING	CA	501(C)(3)	12A - I	SUTTER CVH	X	
(3)							
(4)							
(5)							
(6)							
(7)							

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? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MAGNETIC IMAGING AF 94-2953833 2125 OAK GROVE WLN CK CA 94598	PATIENT CARE	CA	N/A									
(2) SURG CTR OF ABSMC 47-0946086 3875 TELEGRAPH OAKLAND, CA	OUTPATIENT SURG	CA	N/A									
(3) ALTA CT SERVICES LP 94-3083464 2125 OAK GROVE WLN CK CA 94598	PATIENT CARE	CA	N/A									
(4) CA PACIFIC ADV IMAG 56-2311840 PO BOX 6102 NOVATO, CA 94948	MRI JOINT VENTURE	DE	N/A									
(5) SF ENDOSCOPY CENTER 91-2160588 2200 RIVER PLAZA SACRAMENTO CA	ENDOSCOPY JV	CA	N/A									
(6) PRESIDIO SURG CNTR 32-0144060 1635 DIVISADERO SF, CA 94115	AMBULATORY SURG	CA	N/A									
(7) SUT FAIRFIELD SURG 30-0233892 2200 RIVER PLAZA SACRAMENTO CA	SURGERY	CA	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) CHARITABLE REMAINDER TRUSTS (10)	CRT	CA	N/A	TRUST					
(2) NORTHWOOD EUROPE TE FEEDER, LP 98-1272216 1819 WAZEE STREET, 2ND FLOOR DENVER, CO 80202	HOLDING COMPANY	CJ	N/A	C CORP				X	
(3) SUTTER HEALTH DEFERRED COMP PLANS' TRUST 27-6851989 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833	RABBI TRUST	CA	N/A	TRUST				X	
(4)									
(5)									
(6)									
(7)									

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? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) TWIN CTY SURG HOSP 35-2182617 2200 RIVER PLAZA SACRAMENTO CA	SURGERY	CA	N/A									
(2) SUT AMADOR SURG CTR 46-1398093 2200 RIVER PLAZA SACRAMENTO CA	SURGERY	CA	N/A									
(3) ROSEVILLE ENDOSCOPY 87-0710513 2200 RIVER PLAZA SACRAMENTO CA	ENDOSCOPY JV	CA	N/A									
(4) STANISLAUS SRG HOSP 91-1754157 1421 OAKDALE RD MODESTO, CA	SURGERY	CA	N/A									
(5) MEMORIAL MED BLDG 1 77-0287288 1800 COFFEE RD #76 MODESTO, CA	OFFICE RENTAL	CA	N/A									
(6) MEMORIAL MED BLDG 2 77-0287288 1800 COFFEE RD #76 MODESTO, CA	OFFICE RENTAL	CA	N/A									
(7) MAGNETIC IMAGING AF 47-3696091 2125 OAK GROVE WLN CK CA 94598	PATIENT CARE	CA	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) ASC OPTRS-SNTA ROSA 26-3386169 2200 RIVER PLAZA SACRAMENTO CA	PATIENT CARE	CA	N/A									
(2) ASC OPTRS-SLO, LLC 27-2673776 2200 RIVER PLAZA SACRAMENTO CA	PATIENT CARE	CA	N/A									
(3) DRZ EMERGING MRKETS 61-1729868 250 PARK AVE S WINTER PARK, FL	INVESTMENTS	FL	N/A									
(4) STRAT COMMODITIES 56-2493292 250 PARK AVE S NEW YORK, NY	INVESTMENTS	NY	N/A									
(5) ICG CREDIT OPP FUND 81-4220441 11111 SANTA MONICA LOS ANGELES	INVESTMENTS	CA	N/A									
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b	X	
c Gift, grant, or capital contribution from related organization(s)	1c	X	
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o		X
p Reimbursement paid to related organization(s) for expenses	1p	X	
q Reimbursement paid by related organization(s) for expenses	1q	X	
r Other transfer of cash or property to related organization(s)	1r	X	
s Other transfer of cash or property from related organization(s)	1s	X	

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	SUTTER WEST BAY MEDICAL FOUNDATION	Q	19,952,536.	FMV
(2)	SUTTER EAST BAY MEDICAL FOUNDATION	Q	11,033,218.	FMV
(3)	MILLS-PENINSULA HOSPITAL FOUNDATION	R	5,813,463.	FMV
(4)	SUTTER HEALTH PLAN	S	4,601,363.	FMV
(5)	SUTTER INSURANCE SERVICES CORPORATION	P	2,887,620.	FMV
(6)	MILLS-PENINSULA HEALTH SERVICES	K	2,806,228.	FMV

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

		Yes	No
Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		
b Gift, grant, or capital contribution to related organization(s)	1b		
c Gift, grant, or capital contribution from related organization(s)	1c		
d Loans or loan guarantees to or for related organization(s)	1d		
e Loans or loan guarantees by related organization(s)	1e		
f Dividends from related organization(s)	1f		
g Sale of assets to related organization(s)	1g		
h Purchase of assets from related organization(s)	1h		
i Exchange of assets with related organization(s)	1i		
j Lease of facilities, equipment, or other assets to related organization(s)	1j		
k Lease of facilities, equipment, or other assets from related organization(s)	1k		
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		
o Sharing of paid employees with related organization(s)	1o		
p Reimbursement paid to related organization(s) for expenses	1p		
q Reimbursement paid by related organization(s) for expenses	1q		
r Other transfer of cash or property to related organization(s)	1r		
s Other transfer of cash or property from related organization(s)	1s		

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	SUTTER BAY HOSPITALS	K	1,630,479.	FMV
(2)	SUTTER BAY HOSPITALS	P	848,309.	FMV
(3)	SUTTER BAY HOSPITALS	B	409,357.	FMV
(4)	SUTTER VALLEY HOSPITALS	P	105,889.	FMV
(5)	SUTTER VISITING NURSES ASSOCIATION AND HOSPIC	J	99,547.	FMV
(6)	SUTTER EAST BAY HOSPITALS	Q	94,473.	FMV

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

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

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		
b	Gift, grant, or capital contribution to related organization(s)	1b		
c	Gift, grant, or capital contribution from related organization(s)	1c		
d	Loans or loan guarantees to or for related organization(s)	1d		
e	Loans or loan guarantees by related organization(s)	1e		
f	Dividends from related organization(s)	1f		
g	Sale of assets to related organization(s)	1g		
h	Purchase of assets from related organization(s)	1h		
i	Exchange of assets with related organization(s)	1i		
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		
o	Sharing of paid employees with related organization(s)	1o		
p	Reimbursement paid to related organization(s) for expenses	1p		
q	Reimbursement paid by related organization(s) for expenses	1q		
r	Other transfer of cash or property to related organization(s)	1r		
s	Other transfer of cash or property from related organization(s)	1s		

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	MILLS-PENINSULA HEALTH SERVICES	P	90,707.	FMV
(2)	SUTTER BAY HOSPITALS	C	313,320.	FMV
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions

A0789110

Corp. No. C0223837

0223837

FILED
Secretary of State
State of California
OCT 01 2016

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PALO ALTO MEDICAL FOUNDATION FOR HEALTH CARE,
RESEARCH AND EDUCATION

Jeff M. Gerard and Karen A. Hall certify that:

1. They are the President and Secretary, respectively, of Palo Alto Medical Foundation for Health Care, Research and Education, a California nonprofit public benefit corporation.

2. The articles of incorporation of this corporation are amended and restated in their entirety to read as follows:

"AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SUTTER BAY MEDICAL FOUNDATION

ARTICLE I

The name of this corporation is Sutter Bay Medical Foundation.

ARTICLE II

A. The corporation is formed for the following charitable, scientific and education purposes:

1. For research in the fields of medicine and other allied sciences;

2. For acquiring, equipping, owning and operating nonprofit facilities for the care, diagnosis, and medical treatment of persons suffering from mental or physical illness, disease, or disability, including such persons who are financially unable to pay all or a part of the cost of such services;

3. For carrying out educational activities related to rendering care to the sick and injured or the promotion of health generally;

4. For providing instruction and training in all branches of medicine and surgery;

5. For the improvement of access to health care services for individuals who are unable to afford them, including participation in programs operating pursuant to Titles XVIII and XIX of the Social Security Act;

6. For contributing to the growth, development, and financial strength of Sutter Health, a California nonprofit public benefit corporation, and all its affiliated corporations that comprise an integrated health care system; and

7.For receiving, managing and spending monies and all other properties for the above purposes, and doing all other acts incidental to the maintenance of the purposes herein described.

B. The general purpose of this corporation is to have and exercise all rights and powers conferred on nonprofit public benefit corporations under the laws of the State of California.

C. This corporation shall be non-stock and no dividends or pecuniary profits shall be declared to the members thereof.

D. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

ARTICLE III

The principal office for the transaction of the business of this corporation shall be located in the City of Emeryville, County of Alameda, State of California.

ARTICLE IV

A. This corporation is organized and operating exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and successor provisions thereto (the "Code").

B. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE V

A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, trustee, officer or member thereof or to the benefit of any private person.

Corp. No. C0223837

B. Upon the dissolution or winding up of the corporation, its assets remaining after payment or provision for payment of all debts and liabilities of this corporation shall be transferred exclusively to and shall become the property of Sutter Health, a California nonprofit public benefit corporation. If Sutter Health no longer: (a) exists; (b) qualifies as an exempt organization under section 501(c)(3) of the Code; or (c) is organized and operated exclusively for religious, charitable, hospital, scientific or educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code; then the assets of this corporation shall be transferred to and shall become the property of such nonprofit funds, foundations or corporations as are designated by the Board of Directors of this corporation which: (1) are organized and operated exclusively for religious, charitable, hospital, scientific or educational purposes meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code and (2) have established their tax-exempt status under section 501(c)(3) of the Code."

3. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote of the Member.

5. The file date of these Amended and Restated Articles of Incorporation shall be October 1, 2016.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: 9/22/16

Jeff M. Gerard, President

Karen A. Hall, Secretary