CHANGE OF ACCOUNTING PERIOD 29493069013008

# Form 990 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

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning JUL 1, 2016 and ending MAR 31, 2017

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

C Name of organization
NORTH VALLEY HOSPITAL, INC.

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) 1600 HOSPITAL WAY

Room/suite

City or town, state or province, country, and ZIP or foreign postal code WHITEFISH, MT 59937

D Employer identification number
81-0247969

E Telephone number
4068633500

G Gross receipts $ 68,581,191.

F Name and address of principal officer DAVID RICHHART
1600 HOSPITAL WAY, WHITEFISH, MT 59937

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

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

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

J Website: ▶ WWW.NVHOSP.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1955

M State of legal domicile: MT

## Part I Summary

| | | | |
|---|---|---|---|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: NORTH VALLEY HOSPITAL PROVIDES HOSPITAL AND REHABILITATIVE SERVICES, OTHER HEALTH CARE SERVICES AS | | |
| | 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 | 12 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 11 |
| | 5 Total number of individuals employed in calendar year 2016 (Part V, line 2a) | 5 | 509 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 55 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| | b Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0. |

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| | | Prior Year | Current Year |
|---|---|---|---|
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | 665,674. | 98,522. |
| | 9 Program service revenue (Part VIII, line 2g) | 51,876,426. | 67,330,362. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | -60,347. | 38,494. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 655,830. | 1,072,519. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 53,137,583. | 68,539,897. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. | 0. |
| | 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) | 25,670,241. | 20,742,413. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 159,807. | | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 28,379,271. | 45,127,378. |
| | 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) | 54,049,512. | 65,869,791. |
| | 19 Revenue less expenses Subtract line 18 from line 12 | -911,929. | 2,670,106. |

| | | Beginning of Current Year | End of Year |
|---|---|---|---|
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | 49,544,998. | 60,552,158. |
| | 21 Total liabilities (Part X, line 26) | 28,199,822. | 29,645,499. |
| | 22 Net assets or fund balances Subtract line 21 from line 20 | 21,345,176. | 30,906,659. |

## 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

▶ X David Richhart — Signature of officer — Date: 2-13-18

▶ DAVID RICHHART, 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 |
|---|---|---|---|---|---|
| | JUSTIN P. SLITER | JUSTIN P. SLITER | 02/08/18 | ☐ | P00188996 |
| | Firm's name ▶ JORDAHL & SLITER PLLC | | | Firm's EIN ▶ | 81-0497523 |
| | Firm's address ▶ P.O. BOX 8600 KALISPELL, MT 59904-1600 | | | Phone no. | (406)752-1040 |

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



SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

**Part III Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

NORTH VALLEY HOSPITAL PROVIDES HOSPITAL AND REHABILITATIVE SERVICES, OTHER HEALTH CARE SERVICES AS NECESSARY AND ADVISABLE, AND SERVES AS A STIMULUS FOR THE PROVISION OF HEALTH CARE SERVICES IN THE AREA.

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 $ 54,188,537. including grants of $ _____ ) (Revenue $ 67,330,362. )

NORTH VALLEY HOSPITAL OPERATES A 25-BED ACUTE CARE HOSPITAL WHICH PROVIDES EMERGENCY, INPATIENT, OUTPATIENT, ACUTE CARE AND SUBACUTE SERVICES IN HOSPITAL AND CLINIC SETTINGS. THE HOSPITAL PROVIDED 6,283 ER VISITS, 3,636 DAYS OF PATIENT SERVICES, 59,530 OUTPATIENT VISITS WHICH INCLUDES 25,785 CLINIC VISITS, AND 444 BIRTHS FOR THE PERIOD JULY 1, 2016 THROUGH MARCH 31, 2017.

THE HOSPITAL PROVIDES CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST AND TO INDIVIDUALS WHO ARE UNABLE TO PAY. THE UNREIMBURSED VALUE OF PROVIDING CARE TO THESE PATIENTS WAS $1,048,294 FOR CHARITY CARE, $6,267,947 FOR MEDICAID, $6,620,645 FOR MEDICARE, AND $4,527,582 FOR OTHER THIRD PARTY PAYORS FOR THE PERIOD JULY 1, 2016 THROUGH MARCH 31, 2017.

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 ▶ 54,188,537.

JRLABCODHF

## 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*? | 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* | 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 | X | |
| 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 | 115 | | |
| 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 | 509 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | 7f | | |
| 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<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | 1a | 12 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | 1b | 11 | | |
| 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<br>If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) | 15b | X | |
| 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 | | |

## Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

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

[X] Own website [ ] Another's website [X] 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 ▶

DAVID RICHHART - 406-863-9826

1600 HOSPITAL WAY, WHITEFISH, MT 59937

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, 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 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) STEVE STAHLBERG | 1.00 | | | | | | | | | |
| CHAIR | | X | | X | | | | 0. | 0. | 0. |
| (2) JANE KARAS | 1.00 | | | | | | | | | |
| VICE CHAIR | | X | | X | | | | 0. | 0. | 1,110. |
| (3) TROY BOWMAN | 1.00 | | | | | | | | | |
| SECRETARY | | X | | X | | | | 0. | 0. | 0. |
| (4) MATT BAILEY, MD | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (5) TODD BERGLAND, MD | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (6) MIRNA BOWDEN, MD | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (7) PENNI CHISHOLM | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (8) MARC DUCHARME | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (9) RYAN GUNLIKSON, MD | 40.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 218,929. | 0. | 21,425. |
| (10) MARK JOHNSON | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (11) LIZ MARCHI | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (12) CARL TINLIN | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 3,000. | 0. |
| (13) JOSH AKEY | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (14) BARBRA BENNETT | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (15) MICHAEL HENSON | 1.00 | | | | | | | | | |
| MEMBER | | X | | | | | | 0. | 0. | 0. |
| (16) TATE KREITINGER | 24.00 | | | | | | | | | |
| CHEIF EXECUTIVE OFFICER | 26.00 | | | X | | | | 0. | 472,302. | 31,802. |
| (17) RANDY NIGHTENGALE | 40.00 | | | | | | | | | |
| CHEIF FINANCIAL OFFICER | | | | X | | | | 233,920. | 0. | 41,005. |

**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 line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) CHRIS THOMAS<br>CHEIF OPERATING OFFICER | 40.00 | | | X | | | | 236,065. | 0. | 22,799. |
| (19) JASON COHEN, MD<br>CHIEF MEDICAL OFFICER | 24.00 | | | X | | | | 217,951. | 0. | 14,938. |
| (20) JOHN MUIR, MD<br>PHYSICIAN | 40.00 | | | | | X | | 319,005. | 0. | 19,377. |
| (21) DEREK GEDLAMAN, DO<br>OPTOMETRIST | 22.00 | | | | | X | | 214,138. | 0. | 0. |
| (22) CAMERON GARDNER, MD<br>PHYSICIAN | 40.00 | | | | | X | | 196,749. | 0. | 16,645. |
| (23) JONATHAN TORGERSON, MD<br>PHYSICIAN | 20.00 | | | | | X | | 188,931. | 0. | 0. |
| (24) MICHELLE MARTIN-THOMPSON, MD<br>PHYSICIAN | 40.00 | | | | | X | | 194,598. | 0. | 23,035. |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-total ▶ | | | | | | | | 2,020,286. | 475,302. | 192,136. |
| c Total from continuation sheets to Part VII, Section A ▶ | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) ▶ | | | | | | | | 2,020,286. | 475,302. | 192,136. |

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 ▶ 30

| | | 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 |
|---|---|---|
| NORTHERN ROCKIES ANESTHESIA<br>1075 MARTIN CREEK LANE, WHITEFISH, MT 59937 | ANESTHESIA SERVICES | 1,582,013. |
| KALISPELL REGIONAL HEALTHCARE<br>310 SUNNYVIEW LANE, KALISPELL, MT 59901 | HEALTH CARE SERVICES | 1,329,797. |
| QUORUM HEALTH RESOURCES<br>1573 MALLORY LANE, BRENTWOOD, TN 37027 | MANAGEMENT SERVICES | 419,084. |
| FLATHEAD VALLEY ORTHOPEDIC<br>111 SUNNYVIEW LANE, KALISPELL, MT 59901 | ORTHOPEDIC SERVICES | 249,500. |
| CJ'S CLEANING<br>639 HWY 2 EAST, COLUMBIA FALLS, MT 59912 | CLEANING SERVICES | 180,771. |

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 10

**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 | 1 a | Federated campaigns | 1a | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c | | | | |
| | d | Related organizations | 1d | | | | |
| | e | Government grants (contributions) | 1e | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | 98,522. | | | |
| | g | Noncash contributions included in lines 1a-1f $ | | | | | |
| | h | **Total.** Add lines 1a-1f | ▶ | 98,522. | | | |
| Program Service Revenue | | | Business Code | | | | |
| | 2 a | MEDICAL SERVICE REVENUE | 621990 | 67,330,362. | 67,330,362. | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f | All other program service revenue | | | | | |
| | g | **Total.** Add lines 2a-2f | ▶ | 67,330,362. | | | |
| | 3 | Investment income (including dividends, interest, and other similar amounts) | ▶ | 51,249. | | | 51,249. |
| | 4 | Income from investment of tax-exempt bond proceeds | ▶ | | | | |
| | 5 | Royalties | ▶ | | | | |
| | | | (i) Real / (ii) Personal | | | | |
| | 6 a | Gross rents | 54,712. / | | | | |
| | b | Less rental expenses | 0. / | | | | |
| | c | Rental income or (loss) | 54,712. / | | | | |
| | d | Net rental income or (loss) | ▶ | 54,712. | | | 54,712. |
| | | | (i) Securities / (ii) Other | | | | |
| | 7 a | Gross amount from sales of assets other than inventory | / 28,539. | | | | |
| | b | Less cost or other basis and sales expenses | / 41,294. | | | | |
| | c | Gain or (loss) | / -12,755. | | | | |
| | d | Net gain or (loss) | ▶ | -12,755. | | | -12,755. |
| | 8 a | Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 | a | | | | |
| | b | Less direct expenses | b | | | | |
| | c | Net income or (loss) from fundraising events | ▶ | | | | |
| | 9 a | Gross income from gaming activities See Part IV, line 19 | a | | | | |
| | b | Less direct expenses | b | | | | |
| | c | Net income or (loss) from gaming activities | ▶ | | | | |
| | 10 a | Gross sales of inventory, less returns and allowances | a | | | | |
| | b | Less cost of goods sold | b | | | | |
| | c | Net income or (loss) from sales of inventory | ▶ | | | | |
| | | Miscellaneous Revenue | Business Code | | | | |
| | 11 a | OTHER REVENUE | 900099 | 648,656. | | | 648,656. |
| | b | CAFETERIA | 722210 | 369,151. | | | 369,151. |
| | c | | | | | | |
| | d | All other revenue | | | | | |
| | e | **Total.** Add lines 11a-11d | ▶ | 1,017,807. | | | |
| | 12 | **Total revenue** See instructions. | ▶ | 68,539,897. | 67,330,362. | 0. | 1,111,013. |

## 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 | | | | |
| 2 | Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 | Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 | Benefits paid to or for members | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | 327,820. | 170,636. | 157,184. | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 | Other salaries and wages | 15,324,668. | 11,460,150. | 3,783,557. | 80,961. |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 771,351. | 565,800. | 203,718. | 1,833. |
| 9 | Other employee benefits | 3,221,671. | 2,422,876. | 788,936. | 9,859. |
| 10 | Payroll taxes | 1,096,903. | 820,996. | 270,193. | 5,714. |
| 11 | Fees for services (non-employees): | | | | |
| a | Management | 79,490. | | 79,490. | |
| b | Legal | 7,861. | | 7,861. | |
| c | Accounting | 44,431. | | 44,431. | |
| d | Lobbying | | | | |
| e | Professional fundraising services. See Part IV, line 17 | | | | |
| f | Investment management fees | | | | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 6,611,941. | 4,555,192. | 2,019,415. | 37,334. |
| 12 | Advertising and promotion | 104,822. | 68,553. | 36,269. | |
| 13 | Office expenses | 2,342,659. | 1,222,518. | 1,105,548. | 14,593. |
| 14 | Information technology | 972,339. | 733,144. | 239,195. | |
| 15 | Royalties | | | | |
| 16 | Occupancy | 934,123. | 844,625. | 89,498. | |
| 17 | Travel | 72,867. | 42,363. | 24,546. | 5,958. |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 | Conferences, conventions, and meetings | 86,174. | 36,322. | 46,297. | 3,555. |
| 20 | Interest | 29,485. | 20,370. | 9,115. | |
| 21 | Payments to affiliates | | | | |
| 22 | Depreciation, depletion, and amortization | 3,477,827. | 2,975,876. | 501,951. | |
| 23 | Insurance | 225,723. | 116,468. | 109,255. | |
| 24 | Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a | CONTRACTUAL ADJUSTMENTS | 19,895,484. | 19,895,484. | | |
| b | MEDICAL SUPPLIES AND DR | 4,769,393. | 4,769,393. | | |
| c | HOME OFFICE ALLOCATION | 1,721,345. | | 1,721,345. | |
| d | OTHER EXPENSES | 1,526,616. | 1,242,973. | 283,643. | |
| e | All other expenses | 2,224,798. | 2,224,798. | | |
| 25 | **Total functional expenses** Add lines 1 through 24e | 65,869,791. | 54,188,537. | 11,521,447. | 159,807. |
| 26 | **Joint costs** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ [ ] if following SOP 98-2 (ASC 958-720) | | | | |

**Part X Balance Sheet**

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

| | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|
| Assets | 1 | Cash - non-interest-bearing | | | 1 | |
| | 2 | Savings and temporary cash investments | | 10,792,156. | 2 | 13,679,528. |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 6,691,517. | 4 | 7,807,851. |
| | 5 | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | | 5 | |
| | 6 | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr) Complete Part II of Sch L | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 7 | 2,993,005. |
| | 8 | Inventories for sale or use | | 1,026,558. | 8 | 1,271,107. |
| | 9 | Prepaid expenses and deferred charges | | 860,178. | 9 | 1,260,979. |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a 69,418,370. | | | |
| | b | Less accumulated depreciation | 10b 37,248,047. | 28,571,416. | 10c | 32,170,323. |
| | 11 | Investments - publicly traded securities | | | 11 | |
| | 12 | Investments - other securities See Part IV, line 11 | | | 12 | |
| | 13 | Investments - program-related See Part IV, line 11 | | | 13 | 1,204,672. |
| | 14 | Intangible assets | | | 14 | |
| | 15 | Other assets See Part IV, line 11 | | 1,603,173. | 15 | 164,693. |
| | 16 | **Total assets.** Add lines 1 through 15 (must equal line 34) | | 49,544,998. | 16 | 60,552,158. |
| Liabilities | 17 | Accounts payable and accrued expenses | | 6,180,309. | 17 | 9,508,107. |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | 21,348,507. | 20 | 19,714,964. |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | | 21 | |
| | 22 | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | | 23 | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 24 | |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 671,006. | 25 | 422,428. |
| | 26 | **Total liabilities.** Add lines 17 through 25 | | 28,199,822. | 26 | 29,645,499. |
| Net Assets or Fund Balances | | **Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.** | | | | |
| | 27 | Unrestricted net assets | | 21,345,176. | 27 | 29,956,028. |
| | 28 | Temporarily restricted net assets | | | 28 | 567,622. |
| | 29 | Permanently restricted net assets | | | 29 | 383,009. |
| | | **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 | | 21,345,176. | 33 | 30,906,659. |
| | 34 | Total liabilities and net assets/fund balances | | 49,544,998. | 34 | 60,552,158. |

## 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 | 68,539,897. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 65,869,791. |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 2,670,106. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 21,345,176. |
| 5 | Net unrealized gains (losses) on investments | 5 | -8,103. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 6,899,480. |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 30,906,659. |

## 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 [X] 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? 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 | 2a | | X |
| b | Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis | 2b | X | |
| 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 | | |

**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 |
|---|---|
| NORTH VALLEY HOSPITAL, INC. | 81-0247969 |

**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.)

03

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) |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| **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 |
|---|---|
| NORTH VALLEY HOSPITAL, INC. | 81-0247969 |

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political campaign activity expenditures ▶ $ _____

3 Volunteer hours for political campaign activities _____

## 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- |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

**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- | | |

| 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 |

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

**4-Year Averaging Period Under section 501(h)**

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

**Lobbying Expenditures During 4-Year Averaging Period**

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

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

| *For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity* | (a) 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 | |
| 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 | | 8,581. |
| j Total Add lines 1c through 1i | | | 8,581. |
| 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? | | | |

**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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE HOSPITAL DOES NOT DIRECTLY PERFORM ANY LOBBYING ACTIVITIES. THE HOSPITAL PAYS MEMBERSHIP DUES TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS. THE ASSOCIATIONS USE A PORTION OF SUCH DUES TO CARRY OUT LOBBYING ACTIVITIES.

# 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**
NORTH VALLEY HOSPITAL, INC.

**Employer identification number**
81-0247969

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
- ☐ Preservation of land for public use (e g , recreation or education)
- ☐ Preservation of a historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

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

| | | Held at the End of the 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 on Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

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

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

| | | 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 | | | | | |
| b Contributions | 950,631. | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | 950,631. | | | | |

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 40.29 %
c Temporarily restricted endowment ▶ 59.71 %

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 | X | |

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 | | 7,703,785. | | 7,703,785. |
| b Buildings | | 36,189,532. | 17,667,683. | 18,521,849. |
| c Leasehold improvements | | | | |
| d Equipment | | 25,089,705. | 19,580,364. | 5,509,341. |
| e Other | | 435,348. | | 435,348. |
| **Total.** Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶ | | | | 32,170,323. |

**Schedule D (Form 990) 2016**

632052 08-29-16

**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 (Col. (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. (Col. (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) LEASES PAYABLE | 422,428. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶ | 422,428. |

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

PART X, LINE 2:

THE CORPORATION ADOPTED THE PROVISIONS OF ACCOUNTING STANDARDS CODIFICATION 740, INCOME TAXES. ASC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S FINANCIAL STATEMENTS IN ACCORDANCE WITH THE ASC AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT STANDARD FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF AN INCOME TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. THE CORPORATION HAS REVIEWED ITS TAX POSITIONS FOR ALL OPEN TAX YEARS AND HAS CONCLUDED NO RESERVES ARE REQUIRED.

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

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

# Hospitals

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

OMB No 1545-0047

**2016**

Open to Public Inspection

**Name of the organization** NORTH VALLEY HOSPITAL, INC.

**Employer identification number** 81-0247969

## Part I Financial Assistance and Certain Other Community Benefits at Cost

| | | Yes | No |
|---|---|---|---|
| 1a | Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | X | |
| b | If "Yes," was it a written policy? | X | |
| 2 | If the organization had multiple hospital facilities indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year<br>☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities<br>☐ Generally tailored to individual hospital facilities | | |
| 3 | Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year | | |
| a | Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care<br>☒ 100% ☐ 150% ☐ 200% ☐ Other _____ % | X | |
| b | Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care<br>☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ 400% ☐ Other _____ % | X | |
| c | If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care | | |
| 4 | Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | X | |
| 5a | Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | X | |
| b | If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | X | |
| c | If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | | X |
| 6a | Did the organization prepare a community benefit report during the tax year? | X | |
| b | If "Yes," did the organization make it available to the public? | X | |

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

7 Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|
| a Financial Assistance at cost (from Worksheet 1) | | | 679,144. | | 679,144. | 1.03% |
| b Medicaid (from Worksheet 3, column a) | | | 8886570. | 10592297. | 0. | .00% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d **Total** Financial Assistance and Means-Tested Government Programs | | | 9565714. | 10592297. | 679,144. | 1.03% |
| **Other Benefits** | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 17,490. | 7,500. | 9,990. | .02% |
| f Health professions education (from Worksheet 5) | | | 143,476. | 4,370. | 139,106. | .21% |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 66,095. | 3,300. | 62,795. | .10% |
| j **Total.** Other Benefits | | | 227,061. | 15,170. | 211,891. | .33% |
| k **Total.** Add lines 7d and 7j | | | 9792775. | 10607467. | 891,035. | 1.36% |

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

| | | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|---|
| 1 | Physical improvements and housing | | | | | | |
| 2 | Economic development | | | 12,706. | | 12,706. | .02% |
| 3 | Community support | | | 20,878. | | 20,878. | .03% |
| 4 | Environmental improvements | | | | | | |
| 5 | Leadership development and training for community members | | | | | | |
| 6 | Coalition building | | | 1,346. | | 1,346. | .00% |
| 7 | Community health improvement advocacy | | | | | | |
| 8 | Workforce development | | | | | | |
| 9 | Other | | | | | | |
| 10 | Total | | | 34,930. | | 34,930. | .05% |

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | 1 | X | |
| 2 | Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount | 2 1,176,504. | | |
| 3 | Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit | 3 | | |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements | | | |

**Section B. Medicare**

| | | | |
|---|---|---|---|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | 5 | 11,098,723. |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 11,479,098. |
| 7 | Subtract line 6 from line 5 This is the surplus (or shortfall) | 7 | -380,375. |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used | | |

[X] Cost accounting system [ ] Cost to charge ratio [ ] Other

**Section C. Collection Practices**

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

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|---|---|---|---|---|
| | | | | |
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| | | | | |

**Part V Facility Information**

Section A Hospital Facilities

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

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

| Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility) | Licensed hospital | Gen. medical & surgical | Children's hospital | Teaching hospital | Critical access hospital | Research facility | ER-24 hours | ER-other | Other (describe) | Facility reporting group |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 NORTH VALLEY HOSPITAL<br>1600 HOSPITAL WAY<br>WHITEFISH, MT 59937 | X | X | | | X | | X | | | |

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

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

NORTH VALLEY HOSPITAL:

PART V, SECTION B, LINE 5: KALISPELL REGIONAL HEALTHCARE SERVICES, THE FLATHEAD CITY-COUNTY HEALTH DEPARTMENT, AND NORTH VALLEY HOSPITAL COLLABORATED TO ARRANGE QUALITATIVE DATA COLLECTION DESIGNED TO ADDRESS HEALTHCARE ISSUES IN THE COMMUNITY. THREE FOCUS GROUP INVERVIEWS, TEN KEY INFORMANT INTERVIEWS, AND ONE SURVEY WERE CONDUCTED IN AN EFFORT TO OBTAIN THE BEST INFORMATION REGARDING THE HEALTH NEEDS OF ALL INDIVIDUALS IN THE COMMUNITY. FOCUS GROUPS WERE DESIGNED TO REPRESENT VARIOUS CONSUMER GROUPS OF HEALTHCARE,INCLUDING SENIOR CITIZENS, THE PHYSICALLY CHALLENGED, AND LOCAL COMMUNITY MEMBERS. KEY INFORMANTS CONSISTED OF COMMUNITY LEADERS PROVIDING HEALTH SERVICES TO FLATHEAD COUNTY RESIDENTS.

IN JUNE 2015, SURVEYS WERE MAILED OUT TO THE RESIDENTS IN FLATHEAD COUNTY. THE SURVEY WAS BASED ON A DESIGN THAT HAS BEEN USED EXTENSIVELY IN THE STATES OF WASHINGTON, WYOMING, ALASKA, MONTANA, AND IDAHO. THE SURVEY WAS DESIGNED TO PROVIDE EACH FACILITY WITH INFORMATION FROM LOCAL RESIDENTS REGARDING:

- DEMOGRAPHICS OF RESPONDENTS
- HOSPITALS, PRIMARY CARE PROVIDERS, AND SPECIALISTS USED PLUS REASONS FOR SELECTION
- LOCAL HEALTHCARE PROVIDER USAGE
- SERVICES PREFERRED LOCALLY
- PERCEPTION AND SATISFACTION OF LOCAL HEALTHCARE

NORTH VALLEY HOSPITAL:

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

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

PART V, SECTION B, LINE 6A: KALISPELL REGIONAL HEALTHCARE SYSTEM, KALISPELL, MT

NORTH VALLEY HOSPITAL:

PART V, SECTION B, LINE 6B: FLATHEAD CITY-COUNTY HEALTH DEPARTMENT

NORTH VALLEY HOSPITAL:

PART V, SECTION B, LINE 11: THE HOSPITAL DID NOT ADDRESS AREAS IDENTIFIED AS LOWER PRIORITY/RESPONSIBILITY, SUCH AS LOW INCOME SENIOR HOUSING AND PROVIDING PREVENTATIVE DENTAL CARE BECAUSE THEY ARE VIEWED AS BEYOND THE MISSION OF THE HOSPITAL, AND OTHER GROUPS ARE BETTER SUITED TO ADDRESS THESE NEEDS.

NORTH VALLEY HOSPITAL:

PART V, SECTION B, LINE 13H: PATIENTS ARE BILLED THE GROSS CHARGE FOR ALL SERVICES RECEIVED. IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THE BILL IS ADJUSTED AS DETERMINED BY OUR CHARITY CARE POLICY GUIDELINES.

NORTH VALLEY HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

WWW.KRH.ORG/NVH/SERVICES/PATIENT-PORTAL-AND-RESOURCES/

NORTH VALLEY HOSPITAL

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

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

PART V, LINE 16B, FAP APPLICATION WEBSITE:

WWW.KRH.ORG/NVH/SERVICES/PATIENT-PORTAL-AND-RESOURCES/

NORTH VALLEY HOSPITAL

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

WWW.KRH.ORG/NVH/SERVICES/PATIENT-PORTAL-AND-RESOURCES/

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

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital health care facilities did the organization operate during the tax year? 8

| Name and address | Type of Facility (describe) |
|---|---|
| 1 NORTH COUNTRY MEDICAL CLINIC<br>1343 HWY 93 NORTH<br>EUREKA, MT 59917 | OUTPATIENT CLINIC |
| 2 THE BASE LODGE CLINIC<br>3840 BIG MOUNTAIN ROAD<br>WHITEFISH, MT 59937 | OUTPATIENT CLINIC |
| 3 COLUMBIA FALLS CLINIC PROFESSIONAL<br>2165 9TH STREET WEST<br>COLUMBIA FALLS, MT 59912 | OUTPATIENT CLINIC |
| 4 GLACIER MATERNITY & WOMENS CENTER<br>195 COMMONS LOOP ROAD, SUITE D<br>KALISPELL, MT 59901 | OUTPATIENT CLINIC |
| 5 WEST GLACIER CLINIC<br>100 REA ROAD<br>WEST GLACIER, MT 59936 | OUTPATIENT CLINIC |
| 6 GLACIER ENT HEAD AND NECK SURGERY<br>711 E. 13TH STREET<br>WHITEFISH, MT 59937 | OUTPATIENT CLINIC |
| 7 NORTH VALLEY PHYSICAL THERAPY<br>1343 HWY 93 N<br>EUREKA, MT 59917 | OUTPATIENT CLINIC |
| 8 NORTH VALLEY HOSPITAL IMAGING<br>1111 BAKER AVENUE<br>WHITEFISH, MT 59937 | DIAGNOSTIC CENTER |
| | |
| | |

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

**Section B. Facility Policies and Practices**

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

**Name of hospital facility or letter of facility reporting group** NORTH VALLEY HOSPITAL

**Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):** 1

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

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

**Financial Assistance Policy (FAP)**

**Name of hospital facility or letter of facility reporting group** NORTH VALLEY HOSPITAL

| | | | Yes | No |
|---|---|---|---|---|
| | Did the hospital facility have in place during the tax year a written financial assistance policy that | | | |
| 13 | Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? | 13 | X | |
| | If "Yes," indicate the eligibility criteria explained in the FAP | | | |
| a | [X] Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 100 % and FPG family income limit for eligibility for discounted care of 400 % | | | |
| b | [ ] Income level other than FPG (describe in Section C) | | | |
| c | [ ] Asset level | | | |
| d | [ ] Medical indigency | | | |
| e | [ ] Insurance status | | | |
| f | [ ] Underinsurance status | | | |
| g | [ ] Residency | | | |
| h | [X] Other (describe in Section C) | | | |
| 14 | Explained the basis for calculating amounts charged to patients? | 14 | X | |
| 15 | Explained the method for applying for financial assistance? | 15 | X | |
| | If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply) | | | |
| a | [X] Described the information the hospital facility may require an individual to provide as part of his or her application | | | |
| b | [ ] Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | | |
| c | [ ] Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | | |
| d | [ ] Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | | |
| e | [ ] Other (describe in Section C) | | | |
| 16 | Was widely publicized within the community served by the hospital facility? | 16 | X | |
| | If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | | |
| a | [X] The FAP was widely available on a website (list url) SEE PART V, PAGE 8 | | | |
| b | [X] The FAP application form was widely available on a website (list url) SEE PART V, PAGE 8 | | | |
| c | [X] A plain language summary of the FAP was widely available on a website (list url) SEE PART V, PAGE 8 | | | |
| d | [X] The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | | |
| e | [X] The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | | |
| f | [X] A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | | |
| g | [ ] Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | | |
| h | [ ] Notified members of the community who are most likely to require financial assistance about availability of the FAP | | | |
| i | [ ] The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations | | | |
| j | [ ] Other (describe in Section C) | | | |

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

**Billing and Collections**

**Name of hospital facility or letter of facility reporting group** NORTH VALLEY HOSPITAL

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

**Policy Relating to Emergency Medical Care**

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

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

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

**Name of hospital facility or letter of facility reporting group** NORTH VALLEY HOSPITAL

| | | Yes | No |
|---|---|---|---|
| **22** | Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care | | |
| **a** | ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period | | |
| **b** | ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| **c** | ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| **d** | ☐ The hospital facility used a prospective Medicare or Medicaid method | | |
| **23** | During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C | | X |
| **24** | During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C | | X |

**Part VI Supplemental Information**

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

PART I, LINE 7:

THE HOSPITAL APPLIES THE RATIO OF PATIENT CARE COST-TO-CHARGES FOR AMOUNTS REPORTED IN THE TABLE (TOTAL OPERATING EXPENSES LESS NON-PATIENT CARE ACTIVITIES, MEDICAID PROVIDER TAXES, TOTAL COMMUNITY BENEFIT AND TOTAL COMMUNITY BUILDING EXPENSES).

PART I, LINE 7G:

THE HOSPITAL HAS NOT INCLUDED ANY COSTS ASSOCIATED WITH PHYSICIAN CLINICS AS SUBSIDIZED HEALTH SERVICES IN PART I, LINE 7G.

PART I, LN 7 COL(F):

TOTAL BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 24, BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN COLUMN (F) IS $1,176,504.

PART II, COMMUNITY BUILDING ACTIVITIES:

LEADERSHIP AT THE HOSPITAL ARE ACTIVE MEMBERS OF AREA CHAMBERS OF COMMERCE, UNITED WAY, EMERGENCY MEDICAL SERVICES BOARD, WHITEFISH

## Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g , open medical staff, community board, use of surplus funds, etc )

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

AFFORDABLE HOUSING TASK FORCE, WHITEFISH HEALTHY COMMUNITIES COMMITTEE, MOUNTAIN PACIFIC SPECIAL IMPROVEMENT PROJECT ON CARE TRANSITIONS, AND MORE. IN ADDITION, THE HOSPITAL SPONSORS A STAFF MEMBER EACH YEAR TO ATTEND LEADERSHIP FLATHEAD: A TWO-YEAR LEADERSHIP TRAINING AND COMMUNITY COLLABORATION PROGRAM IN THE FLATHEAD VALLEY INCORPORATING LEADERSHIP IN A PROJECT THAT FULFILLS A NEED IN THE COMMUNITY. THE HOSPITAL MANAGEMENT AND STAFF HAVE DEVELOPED RELATIONSHIPS WITH AREA HIGH SCHOOLS, COLLEGES AND UNIVERSITIES TO PROMOTE HEALTHCARE RELATED FIELDS AND HOSTING INTERNS AND JOB SHADOWS. THE HOSPITAL HUMAN RESOURCES STAFF CONTRIBUTE TIME TO CAREER COUNSELING AND ARE ACTIVE PARTICIPANTS IN THE LOCAL CHAPTERS OF HOSA (HEALTHCARE OCCUPATION STUDENTS OF AMERICA) AND GRADUATION MATTERS. HOSPITAL STAFF PROVIDE A FORUM FOR THE PERFORMANCE IMPROVEMENT NETWORK, WHICH PROVIDES QUALITY ASSURANCE FOR FUTURE HEALTH CARE. WE PARTICIPATED IN HOSPITAL ACQUIRED INFECTION LEARNING AREA NETWORK THROUGH THE MOUNTAIN PACIFIC QUALITY IMPROVEMENT ORGANIZATION,AHA HOSPITAL ENGAGEMENT NETWORK, AND THE NATIONAL RURAL ACCOUNTABLE CARE ORGANIZATION PROMOTING CARE COORDINATION, PREVENTION AND WELLENSESS.

**Part VI Supplemental Information**

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g., open medical staff, community board, use of surplus funds, etc )

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

AN INCIDENT MANAGEMENT SYSTEM WITH HOSPITAL COMMAND CENTER IS ESTABLISHED AT THE HOSPITAL FOR EMERGENCY PREPAREDNESS. INTERNALLY, THE MEMBERS REGULARLY EXECUTE DRILLS AND REVIEW EMERGENCY MEASURES FOR IMPROVEMENT AS WELL AS ASSESS RESOURCE NEEDS. HOSPITAL REPRESENTATIVES PARTICIPATE IN A COALITION INCLUDING OTHER EMERGENCY, MEDICAL AND CITY/COUNTY SERVICES WHO MEET REGULARLY TO PREPARE FOR FLATHEAD VALLEY'S LARGER POTENTIAL DISASTERS. MANAGEMENT STAFF HAS OBTAINED ADVANCED TRAINING IN EMERGENCY COMMUNICATIONS EFFECTIVENESS, RESPONSE AND COORDINATION.

QUALIFIED COMMUNITY BENEFITS UNDER THIS QUESTION:
COMMUNITY SUPPORT DONATIONS (ACCOUNTED FOR IN CBISA UNDER CASH DONATIONS) - TO INTERMOUNTAIN INTEGRATED MENTAL HEALTH SERVICES, DRUG-FREE GRADUATION PARTY SPONSORSHIPS, SHEPHERD'S HAND FREE CLINIC,SCHOOL SPORTS AND BOOSTER CLUB ASSOCIATIONS, FINANICAL SUPPORT FOR WINGS AND ALERT MEDICAL TRANSPORT HELICOPTER, UNITED WAY, SAVE A SISTER MAMMOGRAM INITIATIVE, RELAY FOR LIFE, SPECIAL OLYMPICS, PROSTATE CANCER AWARENESS FOUNDATION, FLATHEAD CANCER AID, FLATHEAD BREASTFEEDING COALITION, THE ALZHEIMERS ASSOCIATION, AND MARCH OF DIMES.

## Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

ECONOMIC DEVELOPMENT - MONTANA WEST ECONOMIC DEVELOPMENT, CHAMBER OF COMMERCE BOARDS AND COMMITTEES, WHITEFISH AFFORDABLE HOUSING TASK FORCE, LEADERSHIP FLATHEAD, WHITEFISH CONVENTION AND VISITOR BUREAU.

WORKFORCE DEVELOPMENT - MENTORING AND JOB SHADOWING, CAREER COUNSELING, HEALTH OCCUPATIONS STUDENT ORGANIZATION, FLATHEAD VALLEY COMMUNITY COLLEGE NURSING PROGRAM, MONTANA STATE UNIVERSITY NURSING PROGRAM.

COALITION BUILDING - PERFORMANCE IMPROVEMENT NETWORK, HEALTH OCCUPATIONS STUDENT ASSOCIATION, SUICIDE PREVENTION/INTERVENTION/POSTVENTION, COLLEGES FOR NURSING PROGRAMS, HEALTH PROVIDER PRECEPTORS AND MEETINGS, STUDENT RECRUITMENT, CRITICAL ACCESS NETWORK, CARE TRANSITIONS COALITION, HEALTHY COMMUNITIES COALITION, BEST BEGINNINGS EARLY CHILD DEVELOPMENT COALITION, AND DISASTER PREPAREDNESS.

THE HOSPITAL CONTINUES ITS SENIOR MENTAL HEALTH PROGRAM (NORTH VALLEY EMBRACE HEALTH) TARGETED AT ADULTS 55 YEARS OLD AND OLDER TO ADDRESS

## Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc.)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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ISSUES OF DEPRESSION, LOSS, WITHDRAWAL, ETC. IT IS THE FIRST STRUCTURED OUTPATIENT PROGRAM OF ITS KIND IN NORTHWEST MONTANA. IT ALSO LAUNCHED NORTH VALLEY BEHAVIORAL HEALTH, PROVIDING PSYCHIATRY FOR CHILDREN, ADOLESCENTS AND ADULTS. ADDICTION AND SUBSTANCE ABUSE COUNSELING, PLAY THERAPY FOR CHILDREN, AND SENIOR FOCUSED TREAMTENTS WERE ADDED TO INCREASE REACH AND BREADTH OF SERVICES.

NORTH VALLEY GERIATRIC SPECIALTY SERVICES WAS ESTABLISHED IN 2013 TO PROVIDE GERIATRIC MEDICINE AND ASSESSMENT. THE MEDICAL STAFF PROVIDE CARE TO SENIORS IN LOCAL SENIOR LIVING FACILITIES AND COORDINATES CARE.

NORTH VALLEY SCHOOL BASED CLINIC IN COLUMBIA FALLS LAUNCHED IN SEPTEMBER 2016 TO IMPROVE ACCESS TO AFFORDABLE HEALTHCARE FOR HIGH SCHOOL STUDENTS AND STAFF. BOTH PHYSICAL AND MENTAL HEALTH SERVICES ARE PROVIDED ON SITE AT THE HIGH SCHOOL IN CONJUNCTION WITH THE SCHOOL NURSE.

PART III, LINE 2:

THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNTS REPORTED ON SCHEDULE

**Part VI Supplemental Information**

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H, PART III, LINE 2 INCLUDES THE COST TO CHARGE RATIO OF PATIENT CARE.

PART III, LINE 3:

BAD DEBT EXPENSE, PATIENTS ELIGIBLE FOR ASSISTANCE THE HOSPITAL IDENTIFIES PATIENTS ELGIBLE FOR CHARITY CARE UP FRONT PRIOR TO TURNING THE BALANCE OVER TO THE COLLECTIONS AGENCY. THE COLLECTION AGENCY ATTEMPTS TO COLLECT FROM THE PATIENT UNTIL DEEMED UNCOLLECTIBLE OR ELGIBLE FOR FINANCIAL ASSISTANCE AT WHICH POINT THE ACCOUNT IS CLOSED AND RETURNED TO THE HOSPITAL. PATIENTS ARE ELIGIBLE TO APPLY FOR FINANCIAL ASSISTANCE FOR A PERIOD OF 240 DAYS DURING WHICH TIME EXTRAORDINARY COLLECTION ACTIVITY WILL CEASE. IF THE PATIENT ACCOUNT IS DEEMED ELIGIBLE FOR FINANCIAL ASSISTANCE THE BAD DEBT ACCOUNT IS RETURNED TO THE HOSPITAL AND THE ACCOUNT IS WRITTEN OFF ACCORDING TO THE HOSPITAL FINANCIAL ASSISTANCE POLICY. HOSPITAL FINANCIAL COUNSELORS AND OR THE EXTENDED BUSINESS OFFICE WILL ATTEMPT OTHER COLLECTION ACTIONS, SUCH AS SUBSEQUENT BILLINGS/MONTHLY STATEMENTS, AND TELEPHONE CALLS. A SUMMARY BILL IS SENT TO THE PATIENT 3 DAYS AFTER DISCHARGE OR WHEN ALL APPLICABLE CRITERIA IS MET. STATEMENTS WITH FINANCIAL ASSISTANCE MESSAGES ARE SENT 30, 60, 90, AND 120 DAYS. AN

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ACCOUNT IS CONSIDERED FOR BAD DEBT DETERMINATION ONCE THE DEBT REMAINS UNPAID MORE THAN 120 DAYS AND IF A PAYMENT PLAN IS ESTABLISHED WITH THE PATIENT AND THE PATIENT MISSES TWO PAYMENTS, THE REMAINING BALANCE WILL BE PLACED TO BAD DEBT. ONCE AN ACCOUNT IS DETERMINED TO BE BAD DEBT, IT IS SUBMITTED TO THE PATIENT FINANCIAL SERVICES SUPERVISOR WHO REVIEWS, APPROVES, AND RECORDS THE BAD DEBT AMOUNT. ANY WRITE-OFF EXCEEDING $3,000 IS ALSO REVIEWED BY THE CFO.

THE HOSPITAL DOES NOT HAVE ANY BAD DEBT EXPENSE THAT COULD REASONABLY BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY. THE HOSPITAL IDENTIFIES ALL THOSE ELIGIBLE FOR CHARITY CARE UPFRONT OR THROUGH THE EXTENDED BUSINESS OFFICE BEFORE ANY AMOUNTS ARE WRITTEN OFF TO BAD DEBT.

PART III, LINE 4:

THE FOOTNOTE REGARDING BAD DEBT EXPENSE IS INCLUDED ON PAGES 16 THROUGH 18 OF THE ORGANIZATIONS'S FINANCIAL STATEMENTS.

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PART III, LINE 8:

ANY MEDICARE ALLOWABLE COSTS OF PATIENT CARE SHORTFALLS ARE NOT COUNTED AS COMMUNITY BENEFIT. THESE ALLOWABLE COSTS ARE OBTAINED FROM THE MEDICARE COST REPORT FOR THE YEAR.

PART III, LINE 9B:

SEE SCHEDULE H, PART III, LINE 3.

PART VI, LINE 2:

BOTH ON-GOING QUALITATIVE AND QUANTITATIVE FEEDBACK IS TAKEN INTO ACCOUNT TO ASSESS COMMUNITY HEALTH CARE NEEDS. A QUANTITATIVE AND QUALITATIVE NEEDS ASSESSMENT WAS CONDUCTED IN 2015, WITH ANALYSIS AND PUBLICATION COMPLETED IN 2016, TO GAIN INSIGHTS FROM AREA RESIDENTS AND COMMUNITY LEADERS AS TO THEIR HEALTHCARE ISSUES AND THEIR PERCEPTIONS REGARDING NEEDS IN THE COMMUNITY. HARD COPIES OF THE REPORT ARE AVAILABLE AND ALSO POSTED ON THE HOSPITAL WEBSITE AT THE FOLLOWING URL:

WWW.KRH.ORG/NVH/ABOUT-US/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

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QUALITATIVE INFORMATION IS GAINED REGULARLY THROUGH PARTNERSHIPS WITH THE CITY GOVERNMENT, AREA SCHOOL DISTRICTS, FEDERAL AND LOCAL LEGISLATORS AND FLATHEAD CITY/COUNTY HEALTH DEPARTMENT. ADDITIONALLY, THE HOSPITAL'S PHYSICIANS AND EMPLOYEES PROVIDE FEEDBACK FROM THEIR EXPERIENCE ON THE JOB AND WITHIN THE COMMUNITY. WRITTEN FEEDBACK FROM THE COMMUNITY IS REQUESTED TO BE SENT TO THE COMMUNITY RELATIONS DEPARTMENT. THE HOSPITAL SPONSORED COMMUNITY EDUCATION PRESENTATIONS ARE FOLLOWED BY A REQUEST FOR FEEDBACK FROM ATTENDEES ON THE VALUE OF THE PRESENTATION AND THEIR INTEREST IN OTHER HEALTH TOPICS.

THE HOSPITAL PARTICIPATED IN AVATAR INTERNATIONAL AND PRESS GANEY INTERNATIONAL, THIRD-PARTY PATIENT FEEDBACK SYSTEMS. THE COMMENTS MADE WITHIN THIS PROCESS ARE REVIEWED AND CONSIDERED FOR NEW PROGRAMS BOTH IN THE COMMUNITY AND AT THE HOSPITAL. LIKEWISE, INFORMATION GAINED FROM THE HOSPITAL CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SYSTEMS (HCAHPS) IS REVIEWED FOR OPPORTUNITIES TO ADDRESS COMMUNITY HEALTHCARE NEEDS.

PART VI, LINE 3:

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COMMUNICATIONS TO THE PUBLIC ON FINANCIAL ASSISTANCE INCLUDES THE NORTH VALLEY HOSPTIAL WEBSITE, FACILITY SIGNAGE, FINANCIAL COUNSELORS AND CERTIFIED APPLICATION COUNSELORS, PATIENT HANDBOOK, GUIDE TO YOUR BILL BROCHURE, AND PATIENT/VISITOR GUIDE. PATIENTS ARE OFTEN REFERRED TO APPLICABLE NON-PROFITS AND STATE CHARITY CARE SERVICES SUCH AS SAVE-A SISTER ORGANIZATION (AN ORGANIZATION THAT ASSISTS LOW INCOME WOMEN WITH FREE MAMMOGRAM SCREENINGS), CHIPS, MONTANA BREAST PROGRAM, SHEPHERD'S HAND FREE CLINC AND FLATHEAD CITY-COUNTY HEATLH DEPARTMENT. NOTICES OF FINANCIAL AID AVAILABILITY ARE AVAILABLE AT THE FLATHEAD UNITED WAY COMMUNITY CENTER.

PART VI, LINE 4:

THE HOSPITAL SERVES A WIDE VARIETY OF PATIENTS, MANY OF WHOM ARE SELF-EMPLOYED, YOUNG FAMILIES, UNEMPLOYED, SEASONAL WORKERS OR HAVE MINIMUM-WAGE JOBS AND CAN'T AFFORD INSURANCE. MEDICARE AND MEDICAID MADE UP THE MAJORITY OF THE HOSPITAL'S PAYERS AT APPROXIMATELY 60 PERCENT.

THE HOSPITAL PROVIDES SERVICES TO RESIDENTS FROM EUREKA IN THE NORTH, TO

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WEST GLACIER IN THE EAST, AND LAKESIDE/SOMERS TO THE SOUTH. THE DEMOGRAPHICS OF THE HOSPITAL'S PRIMARY SERVICE AREAS OF WHITEFISH, COLUMBIA FALLS AND KALISPELL ARE AS FOLLOWS: (SOURCES: US CENSUS 2010 AND 2015 PROJECTIONS).

WHITEFISH: 6.43 SQUARE MILES. POPULATION 7,073, MEDIAN AGE 40, AVERAGE HOUSEHOLD 2.16 PEOPLE, PER CAPITA INCOME $31,410 (2015 DOLLARS) WITH MEDIAN HOUSEHOLD INCOME $51,122, LARGELY WHITE POPULATION 95.8%, PERSONS OVER 65 YEARS OLD = 14.3%.

COLUMBIA FALLS: 2.04 SQUARE MILES. POPULATION 5,093, MEDIAN AGE 35.6, AVERAGE HOUSEHOLD 2.44 PEOPLE, PER CAPITA INCOME $21,284 (2015 DOLLARS) WITH MEDIAN HOUSEHOLD INCOME $47,352,LARGELY WHITE POPULATION 94.4%, NEXT IS AMERICAN INDIAN 1.8%, PERSONS OVER 65 YEARS OLD = 13.2%.

KALISPELL: 11.64 SQURE MILES. POPULATION 22,052, MEDIAN AGE 39.9, AVERAGE HOUSEHOLD 2.27 PEOPLE, PER CAPITA INCOME $22,782 (2015 DOLLARS) WITH MEDIAN HOUSEHOLD INCOME $41,097, LARGELY WHITE POPULATION 94.5%, NEXT IS

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HISPANIC 2.9%, PERSONS OVER 65 YEARS OLD = 15.4%.

FLATHEAD COUNTY: TOTAL POPULATION 98,082, MEDIAN AGE 41.7, PER CAPITA INCOME $26,388 (2015 DOLLARS) WITH MEDIAN HOUSEHOLD INCOME $41,851, LARGELY WHITE POPULATION 95.5%, NEXT IS HISPANIC 2.3%, PERSONS OVER 65 YEARS OLD = 17.7%.

PART VI, LINE 5:

THE HOSPITAL PROVIDES RESOURCES AND FINANCIAL ASSISTANCE TO OTHER NON-PROFITS AND HEALTH-RELATED ENTITIES TO IMPROVE THE WELL-BEING OF THE COMMUNITY.

THE HOSPITAL HAS BEEN INSTRUMENTAL IN PROVIDING RURAL AREAS WITH PRIMARY,WELLNESS AND WALK-IN CARE THROUGH CLINICS IN EUREKA AND COLUMBIA FALLS YEAR-ROUND AND SEASONALLY WHEN TOURISM DEFINES THE EXTRA NEED AT WHITEFISH MOUNTAIN RESORT AND WEST GLACIER.

EUREKA CLINIC PROVIDES DIGITAL X-RAYS, CLIA-CERTIFIED LAB SERVICES AND

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ULTRASOUND; COLUMBIA FALLS OFFERS X-RAY AND LAB SERVICES. THE EUREKA AND COLUMBIA FALLS CLINICS ARE DESIGNATED RURAL HEALTH CLINICS PROVIDING A SLIDING FEE SCALE FOR THOSE FINANCIALLY QUALIFIED. SCHOOL BASED HEALTH CLINIC IN COLUMBIA FALLS HIGHSCHOOL PROVIDES PHYSICAL AND MENTAL HEALTH SERVICES FOR STUDENTS AND STAFF. THE SEASONAL CLINICS ARE OPEN DAILY IN THEIR RESPECTIVE LOCATIONS TO PROVIDE WELLNESS AND URGENT CARE TO AREA RESIDENTS AND VISITORS. AVAILABLE ARE PHARMACEUTICALS, DIGITAL X-RAYS AND CLIA-CERTIFIED LABS. IN HOSPITAL CLINICS, AS WELL AS THE HOSPITAL, THE PICTURE ARCHIVING COMPUTER SYSTEM (PACS) IS USED TO QUICKLY SHARE DATA WITH OTHER MEDICAL FACILITIES. ELECTRONIC MEDICAL RECORDS SYSTEM WAS LAUNCHED ON DECEMBER 9, 2013 WITH PATIENT PORTAL ACCESSIBLE VIA THE HOSPITAL WEBSITE IN MARCH 2014. INPATIENTS AND OUTPATIENTS RECEIVE A BROCHURE AND INSTRUCTIONS REGARDING THE PATIENT PORTAL WITH EACH ADMISSION. THE BROCHURE IS ALSO AVAILABLE ON THE WEBSITE.

THE HOSPITAL HELPS SUPPORT THE SHEPHERD'S HAND FREE CLINIC IN WHITEFISH WITH FREE TESTING AND SERVICES THAT THE CLINIC IS UNABLE TO PROVIDE ON ITS OWN. MANY OF THE HOSPITAL PHYSICIANS AND NURSING STAFF VOLUNTEER THEIR OWN

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TIME CONTRIBUTING TO THIS CLINIC. THE HOSPITAL ALSO PROVIDED FINANCIAL AND PERSONNEL RESOURCES TO WINGS CANCER SUPPORT FOR RESIDENTS WHO NEED TO TRAVEL OUTSIDE OF THE AREA FOR MEDICAL SERVICES. THE HOSPITAL ALSO ASSISTS WITH SUPPORTING THE ALERT MEDICAL HELICOPTER.

THE HOSPITAL DONATES TO PROGRAMS THAT ENCOURAGE CHILDREN TO LEAD POSITIVE LIVES, STAY IN SCHOOL, AND PARTICIPATE IN CONSTRUCTIVE ACTIVITIES THAT AREDRUG AND ALCOHOL FREE. THESE INCLUDE CHILDREN'S SPORTS ASSOCIATIONS, SCHOOL BOOSTER CLUBS, HEALTH OCCUPATION STUDENT ASSOCIATIONS AND CIVIC ORGANIZATIONS THAT PROMOTE THESE SAME IDEALS SUCH AS ROTARY.

STAFF WAS ACTIVE ON MANY BOARDS SUCH AS UNITED WAY, CANCER SERVICES INCLUDING RELAY FOR LIFE,TO RAISE AWARENESS AND MONEY FOR RESEARCH; EMS TO STREAMLINE SERVICES; MARCH OF DIMES TO PROVIDE PRE AND POST-NATAL EDUCATION AND SUPPORT, AND MORE. OTHER ACTIVE MEMBERSHIPS INCLUDE ROTARY, WHITEFISH AND COLUMBIA CHAMBER OF COMMERCE BOARDS.

THE HOSPITAL FOCUSES ON HEALTH EDUCATION, EARLY DETECTION AND PREVENTION.

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THE HOSPITAL HAS A COMMUNITY HEALTH LIBRARY HOUSING HEALTH- RELATED BOOKS AND PUBLIC ACCESS TO THE INTERNET. STAFF AND PHYSICIANS PROVIDE HEALTHRELATED COMMUNITY EDUCATION PROGRAMS ON TOPICS SUCH AS NUTRITION, PRE AND POSTNATAL HEALTH, DIABETES PREVENTION, BALANCE AND FALLS PRVENTION, MEN'S AND WOMEN'S HEALTH. A FREE COMMUNITY-WIDE CELEBRATION, THE PLANETREE FESTIVAL, WAS HELD TO PROVIDE HEALTH AND WELLNESS INFORMATION, PREVENTATIVE SCREENINGS, DRIVING SAFETY RESOURCES, SUICIDE PREVENTION, AND MUCH MORE. POSTPARTUM DEPRESSION WORKSHOPS FOR THE PUBLIC AND MEDICAL PROVIDERS WERE HOSTED.

THE HOSPITAL COMMUNITY HEALTH NURSE TEACHES A CPR AND CPR/FIRST AID CLASS. THE HOSPITAL HAS AN EMPHASIS ON EXERCISE BY SUPPORTING ATHLETIC TRAINERS IN WHITEFISH AND COLUMBIA FALLS SCHOOLS. THE HOSPITAL CONTRIBUTES RESOURCES FOR FUNDRAISERS SUCH AS SAVE A SISTER, WHICH PROVIDES FREE MAMMOGRAMS TO QUALIFIED WOMEN IN THE FLATHEAD VALLEY. THE HOSPITAL OFFERS FREE SUPPORT GROUPS THOSE WHO HAVE HAD A MISCARRIAGE, STILLBIRTH OR NEONATAL LOSS. A FREE MOM/BABY SUPPORT GROUP FACILITATED BY A REGISTERED NURSE IS OFFERED WEEKLY TO HELP NEW PARENTS ADJUST TO THEIR NEW FAMILY

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DYNAMICS AND TO WEIGH THEIR BABIES TO MONITOR GROWTH. THE HOSPITAL ALSO PROVIDES A LOCATION FOR AARP CLASSES. IN-KIND GOODS TO AREA NONPROFITS ARE PROVIDED TO A VARIETY OF HEALTH-RELATED LOCAL ORGANIZATIONS.

QUALIFIED COMMUNITY BENEFITS UNDER THIS QUESTION:

BOARD POSITIONS INCLUDE: UNITED WAY, WHITEFISH AND COLUMBIA FALLS CHAMBER OF COMMERCE, EMS BOARD, SHEPHERDS HAND CLINIC BOARD, MONTANA HEALTH INFORAMATION EXCHANGE.

ACTIVE MEMBERSHIPS INCLUDE:

WHITEFISH ROTARY, CHAMBERS OF COMMERCE, WHITEFISH CONVENTION AND VISITOR BUREAU, BEST BEGINNINGS, CARE TRANSITIONS COALITION, HEALTHY COMMUNITIES COALITION, MOUNTAIN PACIFIC SPECIAL IMPROVEMENT PROJECT CARE TRANSITIONS, WHITEFISH AFFORDABLE HOUSING COMMITTEE.

PREVENTION PROGRAMS:

SAVE A SISTER MAMMOGRAMS, SCHOOL ATHLETIC TRAINERS, EDUCATION (PROVIDER HEALTH RELATED COMMUNITY EDUCATION, PRE AND POST-NATAL CLASSES, CPR/FIRST

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AID, SCREENINGS, NUTRITION COUNSELING, SUPPORT GROUPS, BALANCE AND FALLS PREVENTION CLASSES, DIABETES PREVENTION PROGRAMS, ASTHAMA PRVENTION EDUCATION

IN-KIND DONATIONS TO:

AARP, ROTARY EVENTS FOR THE NEEDY IN THE COMMUNITY, SHEPHERD'S HAND CLINIC.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

MT

**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) | NORTH VALLEY HOSPITAL FOUNDATION | C | 177,245. | ACTUAL PAYMENT |
| (2) | NORTH VALLEY HOSPITAL FOUNDATION | O | 76,162. | ACTUAL PAYMENT |
| (3) | KALISPELL REGIONAL MEDICAL CENTER | A | 26,141. | ACTUAL PAYMENT |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |

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

NORTH VALLEY HOSPITAL, INC.

Employer identification number

81-0247969

## 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 | | |
| | ☐ Travel for companions | | |
| | ☐ Tax indemnification and gross-up payments | | |
| | ☐ Discretionary spending account | | |
| | ☐ Housing allowance or residence for personal use | | |
| | ☐ Payments for business use of personal residence | | |
| | ☒ Health or social club dues or initiation fees | | |
| | ☐ 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 | | |
| | ☐ Independent compensation consultant | | |
| | ☐ Form 990 of other organizations | | |
| | ☒ Written employment contract | | |
| | ☒ Compensation survey or study | | |
| | ☒ 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) RYAN GUNLIKSON, MD | (i) | 218,929. | 0. | 0. | 6,570. | 14,855. | 240,354. | 0. |
| MEMBER | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (2) TATE KREITINGER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| CHEIF EXECUTIVE OFFICER | (ii) | 280,312. | 80,402. | 111,588. | 11,957. | 19,845. | 504,104. | 0. |
| (3) RANDY NIGHTENGALE | (i) | 202,237. | 24,480. | 7,203. | 0. | 41,005. | 274,925. | 0. |
| CHEIF FINANCIAL OFFICER | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (4) CHRIS THOMAS | (i) | 167,065. | 69,000. | 0. | 8,239. | 14,560. | 258,864. | 0. |
| CHEIF OPERATING OFFICER | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (5) JASON COHEN, MD | (i) | 178,236. | 10,000. | 29,715. | 7,469. | 7,469. | 232,889. | 0. |
| CHIEF MEDICAL OFFICER | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) JOHN MUIR, MD | (i) | 280,598. | 38,407. | 0. | 6,222. | 13,155. | 338,382. | 0. |
| PHYSICIAN | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) DEREK GEDLAMAN, DO | (i) | 214,138. | 0. | 0. | 0. | 0. | 214,138. | 0. |
| OPTOMETRIST | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) CAMERON GARDNER, MD | (i) | 196,749. | 0. | 0. | 6,432. | 10,213. | 213,394. | 0. |
| PHYSICIAN | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) JONATHAN TORGERSON, MD | (i) | 188,931. | 0. | 0. | 0. | 0. | 188,931. | 0. |
| PHYSICIAN | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (10) MICHELLE MARTIN-THOMPSON, MD | (i) | 194,598. | 0. | 0. | 8,329. | 14,706. | 217,633. | 0. |
| PHYSICIAN | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (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

PART I, LINE 1A:

THE BOARD OF DIRECTORS AUTHORIZES NORTH VALLEY HOSPITAL TO PAY FOR THE CEO'S MEMBERSHIP IN THE WHITEFISH ROTARY CLUB.

PART I, LINE 6:

THE CEO AND CFO MAY BE PAID A BONUS THROUGH THE MANAGEMENT COMPANY BASED ON QUALITATIVE RESULTS, BUT CONTINGENT ON POSITIVE FINANCIAL RESULTS OF THE HOSPITAL.

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
NORTH VALLEY HOSPITAL, INC.

Employer identification number
81-0247969

## Part I Bond Issues

| | (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased Yes | (g) Defeased No | (h) On behalf of issuer Yes | (h) On behalf of issuer No | (i) Pooled financing Yes | (i) Pooled financing No |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | MONTANA FACILITY FINANCE AUTHORITY | 36-4615155 | NONE | 01/30/12 | 25000000. | REFINANCE NEW HOSPITAL | | X | | X | | X |
| B | MONTANA FACILITY FINANCE AUTHORITY | 36-4615155 | NONE | 08/01/16 | 20507000. | REFUND 2012 SERIES BOND | | X | | X | | X |
| C | | | | | | | | | | | | |
| D | | | | | | | | | | | | |

## Part II Proceeds

| | | A | B | C | D |
|---|---|---|---|---|---|
| 1 | Amount of bonds retired | 25,000,000. | | | |
| 2 | Amount of bonds legally defeased | | | | |
| 3 | Total proceeds of issue | 25,000,000. | 20,507,240. | | |
| 4 | Gross proceeds in reserve funds | 2,024,288. | | | |
| 5 | Capitalized interest from proceeds | | | | |
| 6 | Proceeds in refunding escrows | | | | |
| 7 | Issuance costs from proceeds | | 105,414. | | |
| 8 | Credit enhancement from proceeds | | | | |
| 9 | Working capital expenditures from proceeds | 25,000,000. | | | |
| 10 | Capital expenditures from proceeds | | | | |
| 11 | Other spent proceeds | | 20,401,826. | | |
| 12 | Other unspent proceeds | | | | |
| 13 | Year of substantial completion | 2007 | | | |

| | | A Yes | A No | B Yes | B No | C Yes | C No | D Yes | D No |
|---|---|---|---|---|---|---|---|---|---|
| 14 | Were the bonds issued as part of a current refunding issue? | | X | X | | | | | |
| 15 | Were the bonds issued as part of an advance refunding issue? | | X | | X | | | | |
| 16 | Has the final allocation of proceeds been made? | X | | X | | | | | |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | X | | | | | |

## Part III Private Business Use

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

**Part III Private Business Use** *(Continued)*

| | A | | B | | C | | D | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | X | | X | | | | |
| b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | | | | | | | | |
| c Are there any research agreements that may result in private business use of bond-financed property? | | X | | X | | | | |
| d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | | | | | | | |
| 4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶ | 2.00 % | | 2.00 % | | % | | % | |
| 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 | 2.00 % | | 2.00 % | | % | | % | |
| 7 Does the bond issue meet the private security or payment test? | X | | X | | | | | |
| 8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | X | | | | |
| b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | % | | % | | % | | % | |
| c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? | | | | | | | | |
| 9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? | X | | | X | | | | |

**Part IV Arbitrage**

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

**Part IV** **Arbitrage** *(Continued)*

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

**Part V** **Procedures To Undertake Corrective Action**

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

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

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

NORTH VALLEY HOSPITAL, INC.

**Employer identification number**

81-0247969

## 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 |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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) From | (e) Original principal amount | (f) Balance due | (g) In default? Yes | (g) No | (h) Approved by board or committee? Yes | (h) No | (i) Written agreement? Yes | (i) No |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
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| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 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 |
|---|---|---|---|---|
| | | | | |
| | | | | |
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LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.** **Schedule L (Form 990 or 990-EZ) 2016**

632131 10-24-16

**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 |
|---|---|---|---|---|---|
| CUTTERS LLC | CURRENT TRUSTEE IS | 51,414. | RENT | | X |
| JASON SPRING | FAMILY RELATIONSHIP | 67,687. | SALARY | | X |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

**Part V Supplemental Information**

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: CUTTERS LLC

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

CURRENT TRUSTEE IS A GREATER THAN 35% OWNER

(A) NAME OF PERSON: JASON SPRING

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH CURRENT TRUSTEE

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

# Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization: NORTH VALLEY HOSPITAL, INC.

Employer identification number: 81-0247969

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

NECESSARY AND ADVISABLE, AND SERVES AS A STIMULUS FOR THE PROVISION OF HEALTH CARE SERVICES IN THE AREA.

FORM 990, PART VI, SECTION A, LINE 3:

THE HOSPITAL CONTRACTS WITH QUORUM HEALTH RESOURCES, LLC (QHR), AN UNRELATED MANAGEMENT COMPANY, FOR MANAGEMENT SERVICES AND UTILIZES AN EMPLOYEE OF QHR AS ITS CHIEF EXECUTIVE OFFICER AND ITS CHIEF FINANCIAL OFFICER.

FORM 990, PART VI, SECTION A, LINE 6:

EFFECTIVE MAY 1, 2016, KALISPELL REGIONAL HEALTHCARE SYSTEM INC (KRHS) BECAME THE HOSPITAL'S SOLE MEMBER.

FORM 990, PART VI, SECTION A, LINE 7A:

PURSUANT TO THE AFFILIATION AGREEMENT BETWEEN THE HOSPITAL AND KRHS, KRHS WILL APPOINT TWO OF KRHS TRUSTEES TO THE HOSPITAL'S BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION A, LINE 7B:

DECISIONS REGARDING CHANGING THE HOSPITAL'S ACUTE CARE OFFERINGS, SELLING, DISPOSING, ASSIGNING OR EXCHANGING ANY PROPERTY OR ASSETS, ENTERING INTO ANY NEW DEBT, AND ENTERING INTO OTHER TRANSACTIONS ARE SUBJEC TO THE APPROVAL OF KRHS. GLACIER BANK HAS THE AUTHORITY TO VETO ANY MAJOR PURCHASE OR SERVICE AGREEMENT THAT THE HOSPITAL'S BOARD APPROVES, REGARDLESS OF WHETHER THE AGREEMENT AFFECTS THE HOSPITAL'S REAL ESTATE LOAN.

Name of the organization: NORTH VALLEY HOSPITAL, INC.

Employer identification number: 81-0247969

FORM 990, PART VI, SECTION B, LINE 11B:

THE HOSPITAL'S CFO AND BOARD OF DIRECTORS REVIEW AND APPROVE FORM 990 PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

EACH BOARD MEMBER ANNUALLY COMPLETES A CONFLICT OF INTEREST STATEMENT DISCLOSING ANY POSSIBLE CONFLICTS OF INTEREST. THE BOARD REVIEWS EACH MEMBER'S STATEMENT AND, IF POTENTIAL ISSUES ARISE, THE BOARD MAY ASK THE MEMBER IN QUESTION TO LEAVE THE ROOM WHILE THE REST OF THE BOARD DISCUSSES AND VOTES ON THE MATTER. A BOARD MEMBER WITH A POTENTIAL CONFLICT OF INTEREST PRESENT FOR A VOTE WILL CAST AN ABSTAINING VOTE. EACH KEY EMPLOYEE IS REQUIRED TO REPORT TO THE SUPERVISOR OR THE COMPLIANCE OFFICER ANY POTENTIAL CONFLICTS OF INTEREST SITUATION.

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD ANNUALLY REVIEWS AND APPROVES MANAGEMENT, OFFICERS, AND KEY EMPLOYEES' WAGES DURING THE BUDGET PROCESS, USING MARKET SURVEYS AND SALARY RANGES PROVIDED BY THE MANAGEMENT COMPANY TO DETERMINE FAIR MARKET VALUE.

FORM 990, PART VI, SECTION C, LINE 19:

NORTH VALLEY HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

OTHER:

| | |
|---|---|
| PROGRAM SERVICE EXPENSES | 4,555,192. |
| MANAGEMENT AND GENERAL EXPENSES | 2,019,415. |

Name of the organization: NORTH VALLEY HOSPITAL, INC.

Employer identification number: 81-0247969

| | |
|---|---|
| FUNDRAISING EXPENSES | 37,334. |
| TOTAL EXPENSES | 6,611,941. |
| TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A | 6,611,941. |

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

| | |
|---|---|
| CONSOLIDATING ADJUSTMENTS | 6,899,480. |

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

NORTH VALLEY HOSPITAL, INC.

Employer identification number

81-0247969

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? Yes | (g) Section 512(b)(13) controlled entity? No |
|---|---|---|---|---|---|---|---|
| NORTH VALLEY HOSPITAL FOUNDATION - 81-0526541, 1600 HOSPITAL WAY, WHITEFISH, MT 59937 | SUPPORTING ORGANIZATION | MONTANA | 501(C)(3) | LINE 12C, III-FI | NORTH VALLEY HOSPITAL, INC. | | X |
| KALISPELL REGIONAL HEALTHCARE SYSTEM - 81-0406485, 310 SUNNYVIEW LANE, KALISPELL, MT 59901 | SUPPORT SUBSIDIARY TAX EXEMPT ORGANIZATIONS | MONTANA | 501(C)(3) | LINE 12B, II | N/A | | X |
| KALISPELL REGIONAL HEALTHCARE FOUNDATION - 31-1703013, 310 SUNNYVIEW LANE, KALISPELL, MT 59901 | SUPPORTING ORGANIZATION | MONTANA | 501(C)(3) | LINE 12A, I | KALISPELL REGIONAL MEDICAL CENTER | X | |
| NORTHWEST HORIZONS, INC. - 81-0420653 310 SUNNYVIEW LANE KALISPELL, MT 59901 | OPERATE LONG TERM AMBULATORY FACILITY | MONTANA | 501(C)(3) | LINE 10 | KALISPELL REGIONAL HEALTHCARE SYSTEM | X | |

**Part II** **Continuation of Identification of Related Tax-Exempt Organizations**

| (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 organization? Yes | (g) No |
|---|---|---|---|---|---|---|---|
| THE SUMMIT MEDICAL FITNESS CENTER - 23-7293874, 310 SUNNYVIEW LANE, KALISPELL, MT 59901 | COMMUNITY HEALTH & WELLNESS CENTER | MONTANA | 501(C)(3) | 10 | KALISPELL REGIONAL HEALTHCARE SYSTEM | X | |
| KALISPELL REGIONAL MEDICAL CENTER VOLUNTEERS - 27-3866474, 310 SUNNYVIEW LANE, KALISPELL, MT 59901 | SUPPORTING ORGANIZATION | MONTANA | 3 | LINE 10 | KALISPELL REGIONAL MEDICAL CENTER | X | |
| KALISPELL REGIONAL MEDICAL CENTER - 23-7293874, 310 SUNNYVIEW LANE, KALISPELL, MT 59901 | OPERATE ACUTE CARE HOSPITAL | MONTANA | 501(C)(3) | LINE 3 | KALISPELL REGIONAL HEALTHCARE SYSTEM | | X |
| ASSIST-FLATHEAD VALLEY - 46-2669324 310 SUNNYVIEW LANE KALISPELL, MT 59901 | WELLNESS RESOURCE PROVIDER | MONTANA | 501(C)(3) | LINE 7 | | X | |

**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 |
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**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 |
|---|---|---|---|---|---|---|---|---|---|
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**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 sec 501(c)(3) orgs ? 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
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**Part VII Supplemental Information.**

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