

EXTENDED TO NOVEMBER 15, 2019

OMB No. 1545-0047

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)

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Do not enter social security numbers on this form as it may be made public. Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2018 calendar year, or tax year beginning and ending

Form header section containing organization name (BARTON HEALTHCARE SYSTEM), employer ID number (94-6050274), telephone number (530-541-3420), gross receipts (\$204,395,802), and website (WWW.BARTONHEALTH.ORG).

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission statement, governance metrics, revenue breakdown, expense breakdown, and net assets.

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.

Signature of officer: KELLY NEIGER, CEO, dated 5/13/19.

Preparer information: TERRI REXRODE CPA, MST, dated 09/06/19, firm WIPFLI LLP.

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: MISSION: BARTON HEALTH DELIVERS SAFE, HIGH QUALITY CARE AND ENGAGES THE COMMUNITY IN THE IMPROVEMENT OF HEALTH AND WELLNESS. VISION: BARTON HEALTH IS THE COMMUNITY HEALTH LEADER KNOWN FOR COMPASSION AND CHOSEN FOR QUALITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [X] 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 [X] 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 \$ 125,002,112. including grants of \$ 659,999. ) (Revenue \$ 180,068,671. ) BARTON HEALTHCARE SYSTEM (BARTON HEALTH) IS A 501( C)(3) COMMUNITY HEALTH SYSTEM THAT INCLUDES A LICENSED 63-BED FULL-SERVICE, GENERAL ACUTE CARE HOSPITAL WITH A 24-HOUR EMERGENCY ROOM; 48 BED SKILLED NURSING AND LONG TERM CARE FACILITY; AND 22 AMBULATORY OUTPATIENT CLINICS. BARTON HEALTH IS A BI-STATE HEALTH SYSTEM SERVING THE GREATER LAKE TAHOE REGION IN ADDITION TO TRANSIENT-BASED PATIENTS.

BARTON HEALTH PROVIDES EXCEPTIONAL MEDICAL CARE REGARDLESS OF AN INDIVIDUAL'S ABILITY TO PAY.

THE FOLLOWING PROGRAMS ARE COMMUNITY OUTREACH PROGRAMS THAT BENEFIT THE HEALTH OF BARTON HEALTH LAKE TAHOE SOUTH SHORE COMMUNITY.

4b (Code: ) (Expenses \$ 6,666,048. including grants of \$ ) (Revenue \$ 5,208,314. ) THE BARTON COMMUNITY HEALTH CENTER PROVIDES ROUTINE MEDICAL CARE TO MEDICARE AND MEDI-CAL BENEFICIARIES, THOSE WITH INSURANCE BUT VERY HIGH DEDUCTIBLES OR THOSE WHO ARE UNINSURED. SAME DAY APPOINTMENTS ARE USUALLY AVAILABLE WHICH IMPROVES MEDICAL OUTCOMES. THE BARTON COMMUNITY HEALTH CENTER COMBINES THE EFFORTS OF NUMEROUS SKILLED PROFESSIONALS INCLUDING NURSE PRACTITIONERS, PHYSICIAN ASSISTANTS, MEDICAL ASSISTANTS, NURSES, OTHER MEDICAL SUPPORT STAFF, AND CONTRACTS WITH FAMILY AND SPECIALTY PHYSICIANS. SPECIALTY PHYSICIANS WHO SEE PATIENTS AT THE CLINIC INCLUDE PEDIATRICS, SLEEP MEDICINE, ORTHOPEDICS, OBSTETRICS, GYNECOLOGY, CHILD PSYCHIATRY, ADULT PSYCHIATRY, ADHD TREATMENT, UROLOGY, ENT, DERMATOLOGY, INFECTION DISEASE, PSYCHOLOGY, RHEUMATOLOGY, ENDOCRINOLOGY, AND NEUROLOGY.

4c (Code: ) (Expenses \$ 1,212,374. including grants of \$ ) (Revenue \$ ) THE HELPING HANDS PROGRAM ASSISTS PATIENTS OF BARTON MEMORIAL HOSPITAL WITH THEIR MEDICAL BILLS. IT MATCHES THE PATIENTS' ABILITY TO PAY ACCORDING TO THEIR UNIQUE CIRCUMSTANCE. PATIENTS ARE ASKED TO COMPLETE AN APPLICATION AND PROVIDE FINANCIAL INFORMATION ABOUT THEIR INCOME TO DETERMINE THEIR ABILITY TO PAY. THE DISCOUNT PATIENTS RECEIVE TOWARD THEIR MEDICAL BILL DEPENDS ON THEIR ADJUSTED GROSS INCOME COMPARED WITH THE U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES POVERTY INCOME GUIDELINES. THE PROGRAM IS DESIGNED FOR THOSE PATIENTS WHO CANNOT AFFORD THEIR MEDICAL BILLS, BARTON HEALTH PROVIDES DISCOUNTS FOR THOSE WITH INCOMES UP THE 350 PERCENT OF THE MOST RECENT POVERTY INCOME GUIDELINES, AND/OR UNDER SPECIAL CIRCUMSTANCES. DURING THE CURRENT YEAR THIS PROGRAM PROVIDED OVER \$5.5 MILLION OF GROSS CHARGES IN

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

4e Total program service expenses 132,880,534.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i>		X
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i>		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	X	
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i>		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i>		X
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i>	X	
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i>		X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i>		X
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		X
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I</i>		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....	<b>22</b> X	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	<b>23</b> X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....	<b>24a</b> X	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	<b>24b</b>	X
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	<b>24c</b>	X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	<b>24d</b>	X
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....	<b>25a</b>	X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....	<b>25b</b>	X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....	<b>26</b>	X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....	<b>27</b>	X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28a</b> X	
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28b</b> X	
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28c</b> X	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	<b>29</b>	X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	<b>31</b>	X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....	<b>32</b>	X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	<b>33</b>	X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	<b>34</b> X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	<b>35a</b> X	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	<b>35b</b> X	
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	<b>36</b> X	
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	<b>38</b> 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
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....	<b>1a</b> 353	
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....	<b>1b</b> 0	
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	<b>1c</b> X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 2a through 16 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

**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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	<b>1a</b> 11		
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	<b>1b</b> 8		
<b>2</b>	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?	X	
<b>3</b>	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?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?	X	
<b>7a</b>	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?	X	
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?		X
<b>9</b>	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		X

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</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?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	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?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</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?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **KELLY NEIGER - 530-541-3420**  
**PO BOX 9578, SOUTH LAKE TAHOE, CA 96158**

**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) PAT BAGHIDIKIAN, MD TRUSTEE, MEDICAL DIRECTOR	25.00	X					100,789.	0.	0.	
(2) MIKE BRADFORD TRUSTEE	5.00	X					8,126.	0.	0.	
(3) ABBY KILLEBREW SECRETARY/TREASURER	5.00	X		X			8,990.	0.	0.	
(4) KIRK LEDBETTER CHAIRMAN	5.00	X		X			7,318.	0.	0.	
(5) TERRY ORR, MD TRUSTEE	5.00	X					7,858.	0.	0.	
(6) JEFF RAHBECK TRUSTEE	5.00	X					0.	0.	0.	
(7) CHUCK SCHARER VICE CHAIRMAN	5.00	X		X			12,939.	0.	0.	
(8) STEFAN SCHUNK, MD TRUSTEE	5.00	X					0.	0.	0.	
(9) DENA SCHWARTE TRUSTEE	5.00	X					0.	0.	0.	
(10) KEITH SWANSON, MD TRUSTEE, MEDICAL DIRECTOR	20.00	X					128,048.	0.	0.	
(11) JOHN CEFALU TRUSTEE - TERMED	5.00	X					8,126.	0.	0.	
(12) MALIN KENNEDY TRUSTEE	5.00	X					0.	0.	0.	
(13) CLINTON PURVANCE, MD CEO	39.50 0.50			X			552,445.	0.	50,169.	
(14) KELLY NEIGER CFO	39.50 0.50			X			190,300.	0.	46,834.	
(15) RICHARD DERBY CFO - TERMED	39.50 0.50			X			430,354.	0.	42,780.	
(16) PRESTON BECKER COO	40.00				X		316,761.	0.	29,010.	
(17) LANCE ORR, MD MEDICAL DIRECTOR	40.00				X		225,200.	0.	41,945.	

**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) ELIZABETH STORK DIRECTOR OF HR EDUCATION & RETAIL	40.00				X		194,311.	0.	9,034.	
(19) RICHARD BELLI DIRECTOR OF FACILITIES	40.00				X		170,674.	0.	31,700.	
(20) JULIE CLAYTON CNO	39.50 0.50				X		170,454.	0.	12,018.	
(21) SELWYN LEE, MD CMO - TERMED	40.00				X		410,834.	0.	33,950.	
(22) SUSAN FAIRLEY CNO - TERMED	39.50 0.50				X		159,755.	0.	3,598.	
(23) KATHLEEN DEGEISO ADMIN DIR. OF SURGICAL SRVCS	40.00				X		163,649.	0.	35,643.	
(24) WILAI HAMMOND CLINICAL PHARMACIST	40.00					X	171,642.	0.	23,414.	
(25) GREGORY BERGNER, MD MEDICAL DIRECTOR	40.00					X	163,468.	0.	34,448.	
(26) JEFFREY KOECK DIRECTOR OF PHARMACY	40.00					X	181,205.	0.	40,341.	
<b>1b Sub-total</b>							3,783,246.	0.	434,884.	
<b>c Total from continuation sheets to Part VII, Section A</b>							354,654.	0.	74,711.	
<b>d Total (add lines 1b and 1c)</b>							4,137,900.	0.	509,595.	

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 **146**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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
TAHOE CARSON VALLEY MEDICAL GROUP, 2155 SOUTH AVE, STE 24, SOUTH LAKE TAHOE, CA LAKE TAHOE ORTHOPAEDIC INSTITUTE, INC. PO BOX 11889, ZEPHYR COVE, NV 89448	PHYSICIAN SERVICES	14,716,248.
NEENAN COMPANY LLP 2607 MIDPOINT DR, FORT COLLINS, CO 80525	PHYSICIAN SERVICES CONSTRUCTION SERVICES	5,669,348. 3,576,884.
RTG MEDICAL INC., 1005 E 23RD ST, SUITE 200, FREEMONT, NE 68025	STAFF LABOR SERVICES	2,363,718.
SO TAHOE ANESTHESIA MED GROUP PO BOX 5641, PORTLAND, OR 97228	PHYSICIAN SERVICES	1,290,600.

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 **27**

SEE PART VII, SECTION A CONTINUATION SHEETS



<b>Part VII</b> Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>										
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(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			
(27) JASON ROBERTS DIRECTOR OF INFORMATION SYSTEMS	40.00				X			188,953.	0.	36,481.
(28) CHRISTOPHER PROCTOR ADMIN DIR. OF CENTER FOR ORTHO & WEL	39.50 0.50				X			165,701.	0.	38,230.
Total to Part VII, Section A, line 1c .....								354,654.		74,711.

**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	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>	5,056,000.				
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	200,000.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	31,377.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....		5,287,377.				
	<b>Program Service Revenue</b>	<b>2 a</b> NET PATIENT SERVICE REVENUE	<b>Business Code</b> 621990	180,919,037.	180,919,037.		
<b>b</b> INVESTMENT IN WASHOE BARTON MEDIC		621110	2,687,131.	2,687,131.			
<b>c</b> SUPPORTING REVENUE		621990	1,670,817.	1,670,817.			
<b>d</b> CAFETERIA		900099	528,047.			528,047.	
<b>e</b> .....							
<b>f</b> All other program service revenue .....							
<b>g Total.</b> Add lines 2a-2f .....			185,805,032.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		2,233,098.			2,233,098.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	146,026.				
		(ii) Personal					
		<b>b</b> Less: rental expenses .....		0.			
		<b>c</b> Rental income or (loss) .....		146,026.			
	<b>d</b> Net rental income or (loss) .....		146,026.			146,026.	
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities	10,299,073.				
		(ii) Other		87,845.			
		<b>b</b> Less: cost or other basis and sales expenses .....		9,554,491.	170,644.		
		<b>c</b> Gain or (loss) .....		744,582.	-82,799.		
	<b>d</b> Net gain or (loss) .....		661,783.			661,783.	
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>					
		<b>b</b> Less: direct expenses .....	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>						
	<b>b</b> Less: direct expenses .....	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities .....						
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>	537,351.					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>	97,122.				
	<b>c</b> Net income or (loss) from sales of inventory .....		440,229.			440,229.	
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> .....							
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....						
<b>12 Total revenue.</b> See instructions .....			194,573,545.	185,276,985.	0.	4,009,183.	

**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 ...	623,422.	623,422.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....	36,577.	36,577.		
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 .....	3,603,612.	1,357,835.	2,245,777.	
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 .....	63,285,631.	46,545,851.	16,739,780.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,988,955.	1,419,933.	569,022.	
9 Other employee benefits .....	12,587,287.	9,452,390.	3,134,897.	
10 Payroll taxes .....	4,636,635.	3,356,479.	1,280,156.	
11 Fees for services (non-employees):				
a Management .....				
b Legal .....	137,107.	56,105.	81,002.	
c Accounting .....	1,150,509.		1,150,509.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....	225,293.		225,293.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	35,234,353.	30,851,881.	4,382,472.	
12 Advertising and promotion .....	389,541.	12,974.	376,567.	
13 Office expenses .....	7,603,229.	4,763,267.	2,839,962.	
14 Information technology .....	4,118,958.	549,339.	3,569,619.	
15 Royalties .....				
16 Occupancy .....	3,260,380.	1,753,949.	1,506,431.	
17 Travel .....	353,062.	155,252.	197,810.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings .....				
20 Interest .....	410,599.	410,599.		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	9,523,936.	9,440,344.	83,592.	
23 Insurance .....	1,198,354.	1,164,456.	33,898.	
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 <b>MEDICAL SUPPLIES</b>	17,573,863.	17,435,596.	138,267.	
b <b>BAD DEBT EXPENSE</b>	1,814,521.	1,814,521.		
c _____				
d _____				
e All other expenses _____	1,948,373.	1,679,764.	268,609.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>171,704,197.</b>	<b>132,880,534.</b>	<b>38,823,663.</b>	<b>0.</b>
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance 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
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	25,185,206.	<b>1</b>	30,096,225.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	26,192,625.	<b>4</b>	26,812,887.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	128,100.
	<b>8</b> Inventories for sale or use .....	2,651,283.	<b>8</b>	2,719,435.
	<b>9</b> Prepaid expenses and deferred charges .....	3,277,882.	<b>9</b>	2,407,450.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 205,508,068.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 94,039,745.	95,984,640.	<b>10c</b> 111,468,323.
	<b>11</b> Investments - publicly traded securities .....	19,553,580.	<b>11</b>	60,685,399.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	60,315,823.	<b>12</b>	12,936,814.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	25,856,668.	<b>13</b>	28,543,799.
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	11,339,513.	<b>15</b>	8,101,134.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	270,357,220.	<b>16</b>	283,899,566.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	12,643,694.	<b>17</b>	15,246,671.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....	29,529,299.	<b>20</b>	24,933,632.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	456,509.	<b>23</b>	343,689.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	10,472,899.	<b>25</b>	10,535,669.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	53,102,401.	<b>26</b>	51,059,661.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	212,254,819.	<b>27</b>	232,839,905.
	<b>28</b> Temporarily restricted net assets .....	5,000,000.	<b>28</b>	0.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	217,254,819.	<b>33</b>	232,839,905.	
<b>34</b> Total liabilities and net assets/fund balances .....	270,357,220.	<b>34</b>	283,899,566.	

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	194,573,545.
2	Total expenses (must equal Part IX, column (A), line 25)	2	171,704,197.
3	Revenue less expenses. Subtract line 2 from line 1	3	22,869,348.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	217,254,819.
5	Net unrealized gains (losses) on investments	5	-7,280,879.
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	-3,383.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	232,839,905.

**Part XII Financial Statements and Reporting**

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		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: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	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.	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? _____		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 _____		

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

<b>Name of the organization</b> <b>BARTON HEALTHCARE SYSTEM</b>	<b>Employer identification number</b> <b>94-6050274</b>
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

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

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

**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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2018.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2017.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2018.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2017.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (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**

<b>15</b> Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2017 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2018.** 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 - 2017.** 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
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

**Section D. All Type III Supporting Organizations**

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

**Section E. Type III Functionally Integrated Supporting Organizations**

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

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

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

<b>Section A - Adjusted Net Income</b>		(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	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>		(A) Prior Year	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	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2018 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2018</b>	<b>(iii) Distributable Amount for 2018</b>
<b>1</b> Distributable amount for 2018 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2018			
<b>a</b> From 2013			
<b>b</b> From 2014			
<b>c</b> From 2015			
<b>d</b> From 2016			
<b>e</b> From 2017			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2018 distributable amount			
<b>i</b> Carryover from 2013 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2018 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2018 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2019.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2014			
<b>b</b> Excess from 2015			
<b>c</b> Excess from 2016			
<b>d</b> Excess from 2017			
<b>e</b> Excess from 2018			



**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2018**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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.**  
 ► **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

**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 <b>BARTON HEALTHCARE SYSTEM</b>	Employer identification number <b>94-6050274</b>
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**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.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) .....														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) .....														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) .....														
<b>d</b>	Other exempt purpose expenditures .....														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) .....														
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) .....														
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- .....														
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- .....														
<b>j</b>	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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> 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.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
<b>2a</b>	Lobbying nontaxable amount				
<b>b</b>	Lobbying ceiling amount (150% of line 2a, column(e))				
<b>c</b>	Total lobbying expenditures				
<b>d</b>	Grassroots nontaxable amount				
<b>e</b>	Grassroots ceiling amount (150% of line 2d, column (e))				
<b>f</b>	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)).**

	(a)		(b)
	Yes	No	Amount
<b>1</b> 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:			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?		X	
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?	X		7,477.
<b>j</b> Total. Add lines 1c through 1i			7,477.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
<b>3</b> 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."**

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	2a	
<b>b</b> Carryover from last year	2b	
<b>c</b> Total	2c	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
<b>4</b> 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	
<b>5</b> 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:**

A PORTION OF BARTON HEALTHCARE SYSTEM'S MEMBERSHIP DUES PAID TO CALIFORNIA HOSPITAL ASSOCIATION WAS USED TO LOBBYING EXPENDITURES.



**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.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2018**  
**Open to Public Inspection**

Name of the organization **BARTON HEALTHCARE SYSTEM** Employer identification number **94-6050274**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 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 7/25/06, 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? .....

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)? .....

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	3,738,620.	3,653,815.	3,391,263.	3,242,915.	2,991,642.
b Contributions	81,914.	84,805.	262,552.	148,348.	251,273.
c Net investment earnings, gains, and losses	152,556.	120,793.	70,747.		
d Grants or scholarships					
e Other expenditures for facilities and programs	156,556.	120,793.	70,747.		
f Administrative expenses					
g End of year balance	3,816,534.	3,738,620.	3,653,815.	3,391,263.	3,242,915.

- 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  100.00 %
  - c Temporarily restricted endowment  \_\_\_\_\_ %
- 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 |                                     | <input checked="" type="checkbox"/> |
| (ii) related organizations  | <input checked="" type="checkbox"/> |                                     |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 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	9,000,000.	6,657,853.		15,657,853.
b Buildings		109,499,642.	41,791,033.	67,708,609.
c Leasehold improvements		2,832,439.	2,264,042.	568,397.
d Equipment		67,443,340.	47,913,195.	19,530,145.
e Other	122,999.	9,951,795.	2,071,475.	8,003,319.

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  111,468,323.

**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)		
<b>Total.</b> (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) INVESTMENT IN WASHOE		
(2) BARTON MEDICAL CLINIC	28,543,799.	COST
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶	28,543,799.	

**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)	
<b>Total.</b> (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) THIRD PARTY PAYORS	1,474,326.
(3) CLAIMS RESERVE	8,861,343.
(4) OTHER LONG TERM OBLIGATIONS	200,000.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	10,535,669.

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

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

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

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

**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.

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

**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 III, LINE 4:**

GENERAL PHOTOGRAPHS, PAINTINGS, ETC. ON DISPLAY FOR OUR PATIENTS AND GUESTS.

**PART V, LINE 4:**

BARTON MEMORIAL HOSPITAL FOUNDATION, INC., A RELATED 501(3) ENTITY, HOLDS AN ENDOWMENT FUND IN WHICH THE EARNINGS ARE USED TO SUPPORT BARTON HEALTHCARE SYSTEM.

**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.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **BARTON HEALTHCARE SYSTEM** Employer identification number **94-6050274**

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

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>350</u> %	<input checked="" type="checkbox"/>	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>350</u> %	<input checked="" type="checkbox"/>	
<b>c</b> 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.		
<b>4</b> 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"?	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
<b>c</b> 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?		
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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**

	(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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			1228490.		1228490.	.72%
<b>b</b> Medicaid (from Worksheet 3, column a)			25783981.	24722914.	1061067.	.62%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs			27012471.	24722914.	2289557.	1.34%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			887,875.	106,257.	781,618.	.46%
<b>f</b> Health professions education (from Worksheet 5)			759,868.	355,291.	404,577.	.24%
<b>g</b> Subsidized health services (from Worksheet 6)			9860706.	6300680.	3560026.	2.10%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			54,725.	51,500.	3,225.	.00%
<b>j Total.</b> Other Benefits			11563174.	6813728.	4749446.	2.80%
<b>k Total.</b> Add lines 7d and 7j			38575645.	31536642.	7039003.	4.14%

**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			5,000.		5,000.	.00%
2 Economic development						
3 Community support			91,925.		91,925.	.05%
4 Environmental improvements			10,000.		10,000.	.01%
5 Leadership development and training for community members						
6 Coalition building			417,638.	204,793.	212,845.	.13%
7 Community health improvement advocacy						
8 Workforce development			480,469.		480,469.	.28%
9 Other						
<b>10 Total</b>			<b>1005032.</b>	<b>204,793.</b>	<b>800,239.</b>	<b>.47%</b>

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

**Section A. Bad Debt Expense**

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? 1
- 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 | 1,814,521.
- 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.

	Yes	No
1	X	
2		
3		
4		
5		
6		
7		
9a	X	
9b	X	

**Section B. Medicare**

- 5 Enter total revenue received from Medicare (including DSH and IME) 5 | 20,090,986.
- 6 Enter Medicare allowable costs of care relating to payments on line 5 6 | 25,190,245.
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) 7 | -5,099,259.
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6.  
Check the box that describes the method used:  
 Cost accounting system     Cost to charge ratio     Other

**Section C. Collection Practices**

- 9a Did the organization have a written debt collection policy during the tax year? 9a
- 9b 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

**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 %

**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)

**1 BARTON MEMORIAL HOSPITAL**  
**2170 SOUTH AVENUE**  
**SOUTH LAKE TAHOE, CA 96150**  
**WWW.BARTONHEALTH.ORG**  
**030000013**

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
X	X					X			

**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 BARTON MEMORIAL 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
<b>Community Health Needs Assessment</b>		
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? .....		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 .....		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 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	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 .....		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 .....		X
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTPS://WWW.BARTONHEALTH.ORG/TAHOE/COMMUN</u>		
b <input type="checkbox"/> Other website (list url): .....		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>HTTPS://WWW.BARTONHEALTH.ORG/UPLOADS/PUBLIC/DOCUMENT</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
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)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
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 BARTON MEMORIAL HOSPITAL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:			
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>350</u> % and FPG family income limit for eligibility for discounted care of <u>350</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input checked="" type="checkbox"/> Underinsurance status		
<b>g</b>	<input checked="" type="checkbox"/> Residency		
<b>h</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b>	Explained the method for applying for financial assistance? .....	<b>X</b>	
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):			
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b>	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b>	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b>	<input type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group BARTON MEMORIAL HOSPITAL

	Yes	No
<b>17</b> 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	
<b>18</b> 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:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<b>19</b> 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? .....		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b> 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):		
<b>a</b> <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
<b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>f</b> <input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

<b>21</b> 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? .....	X	
If "No," indicate why:		
<b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
<b>d</b> <input type="checkbox"/> Other (describe in Section C)		

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

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

Name of hospital facility or letter of facility reporting group BARTON MEMORIAL HOSPITAL

		Yes	No
<b>22</b>	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.		
<b>a</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b>	<input type="checkbox"/> 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		
<b>c</b>	<input type="checkbox"/> 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		
<b>d</b>	<input checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<b>23</b>	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? ..... If "Yes," explain in Section C.	23	X
<b>24</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? ..... If "Yes," explain in Section C.	24	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, 20a, 20b, 20c, 20d, 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.

BARTON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: A COMMUNITY HEALTH PHONE SURVEY WAS CONDUCTED TO RECORD COMMUNITY FEEDBACK. THE SAMPLE DESIGN USED FOR THIS EFFORT CONSISTED OF A STRATIFIED RANDOM SAMPLE OF 400 INDIVIDUALS AGE 18 AND OLDER IN THE PRIMARY SERVICE AREA, SEPARATED INTO FOUR SUB-COMMUNITIES. ONCE THE INTERVIEWS WERE COMPLETED, THESE WERE WEIGHTED IN PROPORTION TO THE ACTUAL POPULATION DISTRIBUTION SO AS TO APPROPRIATELY REPRESENT THE PRIMARY SERVICE AREA AS A WHOLE. ALL ADMINISTRATION OF THE SURVEYS, DATA COLLECTION AND DATA ANALYSIS WAS CONDUCTED BY PRC. ADDITIONALLY, TO SOLICIT INPUT FROM KEY INFORMANTS, THOSE INDIVIDUALS WHO HAVE A BROAD INTEREST IN THE HEALTH OF THE COMMUNITY, AN ONLINE KEY INFORMANT SURVEY ALSO WAS IMPLEMENTED AS PART OF THIS PROCESS.

BARTON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: THE MOST RECENT CHNA, CONDUCTED IN 2018, IDENTIFIED 11 HEALTH NEEDS, WITH THE TOP THREE PRIORITIES BEING MENTAL HEALTH, SUBSTANCE ABUSE AND ACCESS TO CARE. WHILE ALL 11 NEEDS ARE BEING ADDRESSED, THE ACTION PLAN FOR THE TOP THREE ARE AS FOLLOWS:

MENTAL HEALTH: BARTON HEALTH WILL CONTINUE TO PROVIDE MENTAL HEALTH SERVICES, SPEARHEAD COMMUNITY COLLABORATION AND ENGAGEMENT TO IMPROVE THE MENTAL HEALTH CARE FLOW SYSTEM AND BUILD AWARENESS THROUGH EDUCATION AND PREVENTION CAMPAIGNS. ONE COMMUNITY COLLABORATIVE THAT BARTON LEADS IS THE BEHAVIORAL HEALTH NETWORK. THE NETWORK WAS RECENTLY AWARDED A FEDERAL GRANT TO CREATE A TECHNOLOGICAL PLATFORM THAT SUPPORTS AND STRENGTHENS AN

**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, 20a, 20b, 20c, 20d, 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.

INTEGRATED SYSTEM OF MEDICAL AND BEHAVIORAL HEALTHCARE BY STREAMLINING  
REFERRALS AMONGST COMMUNITY PARTNERS.

SUBSTANCE ABUSE: BARTON HEALTH WILL ENHANCE INTERNAL PROTOCOLS TO REDUCE  
PRESCRIBING OF NARCOTICS AND IMPLEMENT A MEDICATION ASSISTED TREATMENT  
PROGRAM. ADDITIONALLY THE HEALTHCARE SYSTEM WILL PARTICIPATE IN  
COORDINATED COMMUNITY GROUPS AROUND SUBSTANCE ABUSE, SUPPORT COMMUNITY  
PREVENTION PROGRAMS AND EVENTS AND CONDUCT OUTREACH AND EDUCATION ON THE  
EFFECTS OF ALCOHOL AND DRUG ABUSE.

ACCESS TO CARE: BARTON HEALTH WILL MEET CRITERIA FOR PATIENT CENTERED  
MEDICAL HOME (PCMH) DESIGNATION, INCREASE INSURANCE COVERAGE FOR THE  
COMMUNITY THROUGH OUTREACH FOR COVERED CA AND MEDI-CAL, EXPAND ADDITIONAL  
OR ENHANCED MEDICAL SERVICES FOR THE COMMUNITY AND CREATE AND IMPLEMENT AN  
OUTREACH PLAN FOR THE LATINO COMMUNITY.

WHILE BARTON HEALTH MAY NOT DIRECTLY WORK TO RESOLVE ALL HEALTH ISSUES  
IDENTIFIED, BARTON IS COMMITTED TO WORKING COLLABORATIVELY WITH COMMUNITY  
PARTNERS, WHENEVER POSSIBLE, TO HELP ADDRESS HEALTH NEEDS AS THEY OCCUR.

BARTON MEMORIAL HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

[HTTPS://WWW.BARTONHEALTH.ORG/TAHOE/FINANCIAL-AID.ASPX](https://www.bartonhealth.org/tahoe/financial-aid.aspx)

BARTON MEMORIAL HOSPITAL

PART V, LINE 16B, FAP APPLICATION WEBSITE:

**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, 20a, 20b, 20c, 20d, 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.

[HTTPS://WWW.BARTONHEALTH.ORG/TAHOE/FINANCIAL-AID.ASPX](https://www.bartonhealth.org/tahoe/financial-aid.aspx)

BARTON MEMORIAL HOSPITAL

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

[HTTPS://WWW.BARTONHEALTH.ORG/TAHOE/FINANCIAL-AID.ASPX](https://www.bartonhealth.org/tahoe/financial-aid.aspx)

**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? 22

Name and address	Type of Facility (describe)
1 BARTON CENTER OF ORTHOPEDICS AND WELL 2170 B SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	ORTHOPEDICS, REHABILITATION, PERFORMANCE FITNESS, HEALTH & WELLNESS SERVICES
2 LAKE TAHOE SURGERY CENTER 212 ELKS POINT ROAD, STE 201 ZEPHYR COVE, NV 89448	AMBULATORY SURGERY CENTER
3 BARTON COMMUNITY HEALTH CENTER 2201 SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	RHC, PRIMARY CARE, OB, PEDIATRICS, & SPECIALTY SERVICES
4 TAHOE ORTHOPEDICS AND SPORTS MEDICINE 935 MICA DRIVE BLDG C, STE 13 & 14 CARSON CITY, NV 89705	ORTHOPEDIC CLINIC
5 TAHOE ORTHOPEDICS AND SPORTS MEDICINE 212 ELKS POINT ROAD, STE 200 ZEPHYR COVE, NV 89448	ORTHOPEDIC CLINIC
6 BARTON URGENT CARE & OCCUPATIONAL HEA 155 HIGHWAY 50 STATELINE, NV 89449	URGENT CARE & OCCUPATIONAL HEALTH CLINIC
7 BARTON HOME HEALTH & HOSPICE 2092 LAKE TAHOE BLVD, STE 500 SOUTH LAKE TAHOE, CA 96150	HOME HEALTH & HOSPICE SERVICES
8 BARTON WOMEN'S HEALTH 2175 SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	WOMEN'S HEALTH CLINIC
9 BARTON MULTI-SPECIALTY CLINIC 1139 THIRD STREET SOUTH LAKE TAHOE, CA 96150	GENERAL SURGERY, GASTROENEROLOGY & OSTEOPOROSIS CLINIC
10 TAHOE ORTHOPEDICS AND SPORTS MEDICINE 925 TAHOE BLVD, STE 105-106 INCLINE VILLAGE, CA 89451	ORTHOPEDIC CLINIC

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**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? 22

Name and address	Type of Facility (describe)
11 BARTON FAMILY MEDICINE 1080 THIRD STREET SOUTH LAKE TAHOE, CA 96150	FAMILY PRACTICE CLINIC
12 BARTON UROLOGY 2169 SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	UROLOGY CLINIC
13 BARTON FAMILY MEDICINE & RHEUMATOLOGY 155 HIGHWAY 50, SUITE 203 STATELINE, NV 89449	FAMILY PRACTICE, RHEUMATOLOGY & INTERNAL MEDICINE
14 BARTON EAR, NOSE & THROAT 2169 SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	ENT & AUDIOLOGY CLINIC
15 BARTON MEDICAL CLINIC AT HEAVENLY MTN 3860 SADDLE ROAD SOUTH LAKE TAHOE, CA 96150	SEASONAL MEDICAL SKI CLINIC
16 BARTON CARDIOLOGY 2170 SOUTH AVENUE SOUTH LAKE TAHOE, CA 96150	CARDIOLOGY CLINIC
17 BARTON MEDICAL CLINIC AT KIRKWOOD MTN 1501 KIRKWOOD MEADOWS DRIVE KIRKWOOD, CA 95646	SEASONAL MEDICAL SKI CLINIC
18 BARTON PSYCHIATRY 155 HIGHWAY 50 STATELINE, NV 89449	PSYCHIATRY CLINIC
19 BARTON PALLIATIVE CARE 1067 FOURTH STREET SOUTH LAKE TAHOE, CA 96150	PALLIATIVE CARE CLINIC
20 BARTON MEDICAL CLINIC AT SIERRA-AT-TA 1111 SIERRA-AT-TAHOE ROAD TWIN BRIDGES, CA 95735	SEASONAL MEDICAL SKI CLINIC

Schedule H (Form 990) 2018



**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? 22

Name and address	Type of Facility (describe)
21 BARTON HOME HEALTH & HOSPICE 155 HIGHWAY 50 STATELINE , NV 89449	HOME HEALTH & HOSPICE SERVICES
22 BARTON ONCOLOGY 1067 FOURTH STREET SOUTH LAKE TAHOE, CA 96150	ONCOLOGY CLINIC

**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.

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**PART I, LINE 3C:**

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IN ADDITION TO THE FPG, THE HOSPITAL CONSIDERS IF THE PATIENT IS UNINSURED AND/OR UNDERINSURED WHEN DETERMINING IF THEY QUALIFY FOR FREE CARE OR DISCOUNTED CARE.

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**PART I, LINE 7:**

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THE COSTING METHODOLOGY USED THE OVERALL COST TO CHARGE RATIO OBTAINED FOR EACH PATIENT SEGMENT AND APPLIED AGAINST GROSS CHARGES FROM THE 2018 COST REPORT. THIS RATIO WAS USED FOR LINES 7A, 7B AND 7G. ACTUAL OPERATING COSTS WERE USED TO CALCULATE LINES 7E, 7F, AND 7I.

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**PART I, LINE 7G:**

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SUBSIDIZED HEALTH SERVICES INCLUDES COMMUNITY BENEFIT EXPENSES AND DIRECT OFFSETTING REVENUE RELATED TO PHYSICIAN CLINICS. TOTAL COMMUNITY BENEFIT EXPENSES WERE \$7,431,626 AND DIRECT OFFSETTING REVENUE WAS \$3,297,494.

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**PART I, LINE 7, COLUMN (F):**

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THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A),

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**Part VI** Supplemental Information (Continuation)

BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN  
THIS COLUMN IS \$ 1,814,521.

## PART II, COMMUNITY BUILDING ACTIVITIES:

COMMUNITY SUPPORT: EMERGENCY MANAGEMENT PREPAREDNESS: BARTON HEALTH  
CHAIRS AND HOSTS THE EMERGENCY MANAGEMENT COMMUNITY COUNCIL. THIS COUNCIL  
MEETS EVERY OTHER MONTH WITH AREA AGENCIES TO DISCUSS EMERGENCY  
PREPAREDNESS AND EDUCATION TO THE SOUTH LAKE TAHOE COMMUNITY. EXERCISE  
DRILLS, EMERGENCY PREPAREDNESS MATERIALS AND OTHER PROGRAMS COME OUT OF  
THIS GROUP. THE GROUP WAS DESIGNED WITH THE HEALTH AND SAFETY OF OUR  
COMMUNITY IN MIND. THE GROUP INCLUDES REPRESENTATIVES FROM BARTON HEALTH,  
RED CROSS, EL DORADO COUNTY HEALTH AND HUMAN SERVICES, AREA FIRE  
DEPARTMENTS, POLICE, SHERIFF, HAM RADIO, SCHOOL DISTRICTS, PUBLIC  
UTILITIES AND OTHER REPRESENTATIVES WHO WOULD HAVE A RESPONSE CAPABILITY  
IN OUR COMMUNITY. THE PURPOSE IS TO PROTECT THE HEALTH OF OUR COMMUNITY  
BY BEING PREPARED FOR DISASTERS, AND KNOWING OUR EMERGENCY PARTNERS IN THE  
EVENT OF AN EMERGENCY TO BETTER FORM A COHESIVE RESPONSE IN THE SOUTH LAKE  
TAHOE AREA, WHICH WILL ASSIST IN GETTING THE COMMUNITY BACK ON ITS FEET  
AFTER A DISASTER. THE IMPACT OF THIS PROGRAM IS THE COORDINATION AMONGST  
LOCAL EMERGENCY PROVIDERS TO ENSURE EMERGENCY READINESS FOR THE NEXT LOCAL  
DISASTER. BARTON HEALTH FURTHER SUPPORTS VARIOUS ORGANIZATIONS BY  
PROVIDING HEALTH GRANTS, SPONSORSHIPS AND OTHER SUPPORT. BARTON HEALTH  
ADDITIONALLY ASSISTS OUR NEEDY PATIENTS BY ASSISTING WITH TRANSPORTATION  
COSTS AND MEDICATION.

COALITION BUILDING: BARTON HEALTH HOSTS THE COMMUNITY HEALTH ADVISORY  
COMMITTEE (CHAC) THAT IS A COLLABORATIVE OF REPRESENTATIVES OF VARIOUS  
COMMUNITY AGENCIES AND COMMUNITY MEMBERS THAT MEETS MONTHLY TO ADDRESS TOP  
COMMUNITY HEALTH NEEDS AS THEY EMERGE. WORKFORCE DEVELOPMENT: BARTON

**Part VI** Supplemental Information (Continuation)

HEALTH FACILITIES ARE DESIGNATED AS A HEALTH PROFESSIONS SHORTAGE AREA (HPSA) AND TO MAINTAIN PATIENT ACCESS TO ESSENTIAL SERVICES IN OUR COMMUNITY, THE ORGANIZATION INCURS RECRUITMENT COSTS FOR VARIOUS PROVIDERS.

## PART III, LINE 2:

THE AMOUNT OF BAD DEBT REPORTED ON LINE 2 IS BASED ON CHARGES. FOR 2018, THE HEALTHCARE SYSTEM ADOPTED ASU 2014-09, REVENUE FROM CONTRACTS WITH CUSTOMERS WHICH CHANGED THE METHODOLOGY ON THE CALCULATION AND REPORTING OF BAD DEBT EXPENSE.

## PART III, LINE 4:

GENERALLY, PATIENTS WHO ARE COVERED BY THIRD-PARTY PAYORS ARE RESPONSIBLE FOR RELATED DEDUCTIBLES AND COINSURANCE, WHICH VARY IN AMOUNT. THE HEALTHCARE SYSTEM ALSO PROVIDES SERVICES TO UNINSURED PATIENTS AND OFFERS THOSE UNINSURED PATIENTS A DISCOUNT, EITHER BY POLICY OR LAW, FROM STANDARD CHARGES. THE HEALTHCARE SYSTEM ESTIMATES THE TRANSACTION PRICE FOR PATIENTS WITH DEDUCTIBLES AND COINSURANCE AND FOR THOSE WHO ARE UNINSURED BASED ON HISTORICAL EXPERIENCE AND CURRENT MARKET CONDITIONS. THE INITIAL ESTIMATE OF THE TRANSACTION PRICE IS DETERMINED BY REDUCING THE STANDARD CHARGE BY ANY CONTRACTUAL ADJUSTMENTS, DISCOUNTS, AND IMPLICIT PRICE CONCESSIONS. SUBSEQUENT CHANGES TO THE ESTIMATE OF THE TRANSACTION PRICE ARE GENERALLY RECORDED AS ADJUSTMENTS TO PATIENT SERVICE REVENUE IN THE PERIOD OF THE CHANGE. SUBSEQUENT CHANGES THAT ARE DETERMINED TO BE THE RESULT OF AN ADVERSE CHANGE IN THE PATIENT'S ABILITY TO PAY ARE RECORDED AS BAD DEBT EXPENSE. BAD DEBT EXPENSE FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017, WAS \$1,814,521 AND \$1,345,892, RESPECTIVELY.

**Part VI** Supplemental Information (Continuation)

## PART III, LINE 8:

THE ORGANIZATION PROVIDES A BROAD RANGE OF SERVICES TO ITS MEDICARE PATIENTS WITHOUT REGARD TO REVENUE REALIZED FROM THE SERVICES PROVIDED.

THE ORGANIZATION IS A RURAL HOSPITAL WITH THE NEAREST ADDITIONAL HOSPITAL APPROXIMATELY 50 MILES AWAY. COSTS EXCLUDED FROM THE ORGANIZATION'S MEDICARE COST REPORT INCLUDE COSTS ASSOCIATED WITH PHYSICIAN CLINICS, THE AUXILIARY, COMMUNITY RELATIONS, AND OTHER NON-REIMBURSABLE COSTS. THE ORGANIZATION UTILIZES THE COST TO CHARGE RATIO AS PROVIDED IN ITS ANNUAL COST REPORT.

## PHYSICIAN CLINICS NOT INCLUDED IN 2018 COST REPORT:

EST NET MEDICARE SHORTFALL: (\$6,186,102)

## PART III, LINE 9B:

THE ORGANIZATION FOLLOWS ALL CHARITY AND COLLECTION GUIDELINES AS OUTLINED IN SB774, THE CALIFORNIA HEALTH AND SAFETY CODE SECTION 127425, AND CMS MEDICARE GUIDELINES.

## PART VI, LINE 2:

BARTON HEALTH IS A MEMBER OF NUMEROUS COMMUNITY COLLABORATIVES WORKING TO ADDRESS THE HEALTH NEEDS IN OUR COMMUNITY. BARTON LEADS THE COMMUNITY MENTAL & BEHAVIORAL HEALTH COMMITTEE WHICH FOCUSES ON COORDINATING MENTAL HEALTH SERVICES AMONGST OUR COMMUNITY PROVIDERS. WE FACILITATE THE COMMUNITY HEALTH ADVISORY COMMITTEE, WITH OUR TOP THREE HEALTH PRIORITIES DETERMINING HOW FUNDING AND RESOURCES ARE UTILIZED. ADDITIONALLY, WE ATTEND THE MONTHLY LAKE TAHOE COLLABORATIVE, FOCUSING ON COLLABORATIONS

**Part VI** Supplemental Information (Continuation)

FOR YOUTH; AND WE FILL THE HEALTHCARE SEAT ON OUR COMMUNITY'S DRUG-FREE COMMUNITY COALITION.

PART VI, LINE 3:

EVERY SELF-PAY PATIENT IS SCREENED FOR ELIGIBILITY UNDER OUR FINANCIAL ASSISTANCE POLICY WHICH BEGINS AT ADMISSION OR WHEN OTHERWISE FEASIBLE. IN ADDITION, REFERENCE TO OUR FINANCIAL ASSISTANCE PROGRAM IS POSTED AT THE EMERGENCY ROOM AND ADMITTING DEPARTMENTS, DISCLOSED ON OUR WEBSITE, REFERENCED TO IN THE PATIENT HANDBOOK, AND ON PATIENT BILLING STATEMENTS.

PART VI, LINE 4:

THE PRIMARY SERVICE AREA FOR BARTON MEMORIAL HOSPITAL SITS WITHIN THE SIERRA NEVADA MOUNTAINS ON THE BORDER BETWEEN CALIFORNIA AND NEVADA. THIS AREA ENCOMPASSES THE SOUTH LAKE TAHOE BASIN FROM TAHOMA, CA ON THE WEST THROUGH GLENBROOK, NV ON THE EAST. THE DEMOGRAPHICS FOR THIS AREA ARE AS FOLLOWS: APPROXIMATELY 52% MALE AND 48% FEMALE; 37% AGED 18-39, 47% AGED 40-64 AND 16% ARE OVER 65; 71% ARE CAUCASIAN, 21% ARE HISPANIC AND 8% REPRESENT OTHER RACES, 27% OF THE COMMUNITY IS LOW INCOME BELOW THE 200% FEDERAL POVERTY LEVEL.

PART VI, LINE 5:

AS DESCRIBED IN THE COMMUNITY BENEFIT SECTION OF THE 990, BARTON HEALTH CONTRIBUTES TO OUR COMMUNITY'S HEALTH IN A VARIETY OF WAYS: OUR GOVERNING BODY IS REPRESENTED BY INDIVIDUALS OF OUR COMMUNITY. SURPLUS FUNDS ARE USED TO MAINTAIN A HIGH LEVEL OF PATIENT CARE THROUGH REINVESTMENT. BARTON HEALTH HAS ON OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA. OUR LABORATORY OFFERS DISCOUNTED LAB DRAWS; OUR MEDICAL IMAGING DEPARTMENT OFFERS DISCOUNTED EKGS; MRIS AND CT

**Part VI** Supplemental Information (Continuation)

SCANS; NUMEROUS PHYSICIANS AND EMPLOYEES PARTICIPATE IN OUR FREE COMMUNITY WELLNESS LECTURES; OUR EMERGENCY DEPARTMENT PARTICIPATES IN YOUTH EDUCATION PROGRAMS AND THE DRUG STORE PROJECT; MANY OF OUR NURSES AND PRACTITIONERS PARTICIPATE IN OFFERING MEDICAL COVERAGE FOR SPECIAL EVENTS THROUGHOUT THE COMMUNITY; BARTON FAMILY MEDICINE AND TAHOE CENTER FOR ORTHOPEDICS OFFER FREE STUDENT SPORTS PHYSICALS; BARTON HEALTH DONATES TO AND SPONSORS YOUTH PROGRAMS AND LOCAL NON-PROFIT ORGANIZATIONS; BARTON SPONSORS THE WE CAN! PROGRAM IN ELEMENTARY SCHOOLS WHICH PROMOTES HEALTHY EATING AND EXERCISE, STAFF FROM VARIOUS DEPARTMENTS LIKE BARTON EDUCATION, FAMILY BIRTHING CENTER, BARTON REHABILITATION PARTICIPATE IN COMMUNITY EVENTS AND HAVE INFORMATION AND EDUCATIONAL BOOTHS FOR THE COMMUNITY; AS REQUESTED WE OFFER FLU OTHER HEALTH SCREENINGS FOR THE COMMUNITY; OPERATES AN EMERGENCY ROOM AVAILABLE TO ALL REGARDLESS OF ABILITY TO PAY.

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

CA

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

Name of the organization **BARTON HEALTHCARE SYSTEM** Employer identification number **94-6050274**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  **Yes**  **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
A BALANCED LIFE 2100 ELOISE AVE SOUTH LAKE TAHOE, CA 96150	45-3074233		9,000.	0.			COMMUNITY GRANT
LAKE TAHOE UNIFIED SCHOOL DISTRICT 1021 AL TAHOE BLVD SOUTH LAKE TAHOE, CA 96150	10-1282626	GOVERNMENT	12,000.	0.			COMMUNITY GRANT
LIVE VIOLENCE FREE 2941 LAKE TAHOE BLVD SOUTH LAKE TAHOE, CA 96150	94-2598256	501(C)(3)	6,500.	0.			COMMUNITY GRANT
SOS OUTREACH P.O. BOX 2020 SOUTH LAKE TAHOE, CA 96150	84-1332544	501(C)(3)	5,000.	0.			COMMUNITY GRANT
TAHOE FUND P.O. BOX 7124 TAHOE CITY, CA 96145	01-0974628	501(C)(3)	10,000.	0.			COMMUNITY GRANT
TAHOE PROSPERITY CENTER 948 INCLINE WAY INCLINE VILLAGE, NV 89451	45-3559172	501(C)(3)	6,000.	0.			COMMUNITY GRANT

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 7.
- 3** Enter total number of other organizations listed in the line 1 table ▶ 1.

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

Schedule I (Form 990) (2018)



**Part II** Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
TAHOE YOUTH & FAMILY SERVICES 1021 FREMONT AV. SOUTH LAKE TAHOE, CA 96150	94-2145042	501(C)(3)	8,000.	0.			COMMUNITY GRANT
BARTON MEMORIAL HOSPITAL FOUNDATION, INC. - 2092 LAKE TAHOE BLVD - SOUTH LAKE TAHOE, CA 96150	88-0268799	501(C)(3)	566,922.	0.			OVERHEAD FUNDING

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
PATIENT ASSISTANCE	272	36,577.	0.		

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

**PART I, LINE 2:**

THE ORGANIZATION PAYS THE GENERAL OVERHEAD EXPENSES OF BMH FOUNDATION (A RELATED 501(C)(3)). FOR 2018, THE TOTAL AMOUNT FUNDED WAS \$566,922. THE ORGANIZATION PROVIDES ASSISTANCE TO VARIOUS PATIENTS IN NEED INCLUDING PRESCRIPTION MEDICATION, TAXI FARE, LODGING, ETC. TOTAL PATIENT ASSISTANCE PROVIDED DURING 2018 TOTALED \$36,577. ADDITIONALLY, FUNDS DONATED TO VARIOUS COMMUNITY GROUPS TOTALED \$46,401.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2018**

Open to Public Inspection

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.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **BARTON HEALTHCARE SYSTEM**  
 Employer identification number: **94-6050274**

**Part I Questions Regarding Compensation**

**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.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> 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**

**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**

**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.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> 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**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4c**
- 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**
- b** Any related organization? ..... **5b**
- 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**
- b** Any related organization? ..... **6b**
- 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**

**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**

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? ..... **9**

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>	<input checked="" type="checkbox"/>	
<b>4b</b>		<input checked="" type="checkbox"/>
<b>4c</b>		<input checked="" type="checkbox"/>
<b>5a</b>		<input checked="" type="checkbox"/>
<b>5b</b>		<input checked="" type="checkbox"/>
<b>6a</b>		<input checked="" type="checkbox"/>
<b>6b</b>		<input checked="" type="checkbox"/>
<b>7</b>		<input checked="" type="checkbox"/>
<b>8</b>		<input checked="" type="checkbox"/>
<b>9</b>		

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

Schedule J (Form 990) 2018

**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) CLINTON PURVANCE, MD CEO	(i)	543,338.	1,000.	8,107.	13,325.	36,844.	602,614.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) KELLY NEIGER CFO	(i)	186,690.	2,417.	1,193.	9,940.	36,894.	237,134.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) RICHARD DERBY CFO - TERMED	(i)	392,223.	1,500.	36,631.	13,214.	29,566.	473,134.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) PRESTON BECKER COO	(i)	314,037.	0.	2,724.	2,160.	26,850.	345,771.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) LANCE ORR, MD MEDICAL DIRECTOR	(i)	218,712.	478.	6,010.	10,391.	31,554.	267,145.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ELIZABETH STORK DIRECTOR OF HR EDUCATION & RETAIL	(i)	192,847.	0.	1,464.	7,708.	1,326.	203,345.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) RICHARD BELLI DIRECTOR OF FACILITIES	(i)	166,307.	3,100.	1,267.	5,781.	25,919.	202,374.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) JULIE CLAYTON CNO	(i)	143,383.	0.	27,071.	0.	12,018.	182,472.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) SELWYN LEE, MD CMO - TERMED	(i)	302,839.	0.	107,995.	11,231.	22,719.	444,784.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) SUSAN FAIRLEY CNO - TERMED	(i)	12,901.	0.	146,854.	1,903.	1,695.	163,353.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) KATHLEEN DEGEISO ADMIN DIR. OF SURGICAL SRVCS	(i)	162,361.	0.	1,288.	3,793.	31,850.	199,292.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) WILAI HAMMOND CLINICAL PHARMACIST	(i)	170,642.	1,000.	0.	8,783.	14,631.	195,056.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) GREGORY BERGNER, MD MEDICAL DIRECTOR	(i)	163,074.	0.	394.	6,607.	27,841.	197,916.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) JEFFREY KOECK DIRECTOR OF PHARMACY	(i)	178,297.	1,964.	944.	5,841.	34,500.	221,546.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) JASON ROBERTS DIRECTOR OF INFORMATION SYSTEMS	(i)	185,906.	1,608.	1,439.	9,631.	26,850.	225,434.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) CHRISTOPHER PROCTOR ADMIN DIR. OF CENTER FOR ORTHO & WEL	(i)	159,712.	1,894.	4,095.	5,116.	33,114.	203,931.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

**Part III** Supplemental Information

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

**PART I, LINE 4A:**

SUSAN FAIRLEY - \$130,019 - THE PAYMENT WAS MADE IN A SINGLE, LUMP SUM IN ACCORDANCE WITH AN EXECUTIVE COMPENSATION AGREEMENT.

SELWYN LEE - \$62,309 - THE PAYMENT WAS MADE IN A SINGLE, LUMP SUM IN ACCORDANCE WITH AN EXECUTIVE COMPENSATION AGREEMENT.

**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.** ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization **BARTON HEALTHCARE SYSTEM** Employer identification number **94-6050274**

<b>Part I Bond Issues</b>											
<b>SEE PART VI FOR COLUMN (F) CONTINUATIONS</b>											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
<b>A</b> CITY OF SOUTH LAKE TAHOE	94-1610868	NONEAVAIL	06/08/12	11771002.	EQUIP & CAPITAL IMPROVEMENTS; REF		X		X		X
<b>B</b> CITY OF SOUTH LAKE TAHOE	94-1610868	NONEAVAIL	11/03/15	20000000.	EQUIP & CAPITAL IMPROVEMENTS		X		X		X
<b>C</b> CITY OF SOUTH LAKE TAHOE	94-1610686	NONEAVAIL	06/12/14	18000000.	EQUIPMENT		X		X		X
<b>D</b>											

<b>Part II Proceeds</b>										
	A		B		C		D			
<b>1</b> Amount of bonds retired .....	768,552.		2,814,999.		1,076,300.					
<b>2</b> Amount of bonds legally defeased .....										
<b>3</b> Total proceeds of issue .....	11,771,002.		20,000,000.		18,000,000.					
<b>4</b> Gross proceeds in reserve funds .....										
<b>5</b> Capitalized interest from proceeds .....										
<b>6</b> Proceeds in refunding escrows .....										
<b>7</b> Issuance costs from proceeds .....	132,100.		182,408.		249,697.					
<b>8</b> Credit enhancement from proceeds .....										
<b>9</b> Working capital expenditures from proceeds .....										
<b>10</b> Capital expenditures from proceeds .....	5,000,000.									
<b>11</b> Other spent proceeds .....	6,638,902.		19,817,592.		17,750,303.					
<b>12</b> Other unspent proceeds .....										
<b>13</b> Year of substantial completion .....	2013		2017		2017					
	Yes	No	Yes	No	Yes	No	Yes	No		
<b>14</b> Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? .....	X			X		X				
<b>15</b> Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? .....		X		X		X				
<b>16</b> Has the final allocation of proceeds been made? .....	X			X	X					
<b>17</b> Does the organization maintain adequate books and records to support the final allocation of proceeds? .....	X		X		X					

<b>Part III Private Business Use</b>								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? .....		X		X		X		
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? .....		X		X		X		
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X		X		X		
<b>b</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?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X		X		X		
<b>d</b> 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? .....								
<b>4</b> 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 .....		.00 %		.00 %		.00 %		%
<b>5</b> 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 .....		.00 %		.00 %		.00 %		%
<b>6</b> Total of lines 4 and 5 .....		.00 %		.00 %		.00 %		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X		X		
<b>8a</b> 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		X		
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....	X		X		X			

<b>Part IV Arbitrage</b>								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X		X		X		
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....	X		X		X			
<b>b</b> Exception to rebate? .....		X		X		X		
<b>c</b> No rebate due? .....		X		X		X		
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed .....								
<b>3</b> Is the bond issue a variable rate issue? .....		X		X		X		

**Part IV Arbitrage** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X		X		
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the hedge terminated? .....								
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		X		X		X		
<b>b</b> Name of provider .....								
<b>c</b> Term of GIC .....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .....								
<b>6</b> Were any gross proceeds invested beyond an available temporary period? .....		X		X		X		
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....	X		X		X			

**Part V Procedures To Undertake Corrective Action**

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

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

**SCHEDULE K, PART I, BOND ISSUES:**

(A) ISSUER NAME: CITY OF SOUTH LAKE TAHOE

(F) DESCRIPTION OF PURPOSE:

EQUIP & CAPITAL IMPROVEMENTS; REFUNDED BOND DATED 8/1/2009



SCHEDULE L  
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2018

Open To Public Inspection

Department of the Treasury  
Internal Revenue Service

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.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

BARTON HEALTHCARE SYSTEM

Employer identification number

94-6050274

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.

Table with 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by 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.

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

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

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
BRITTA SWANSON	FAMILY MEMBER OF BO	23,125.	CONSULTING		X
LAKE TAHOE ORTHOPAEDIC INS	BRD MEMBER SWANSON	5,669,348.	PHYSICIAN S		X
TAHOE ORTHOPEDIC SPORTS ME	BRD MEMBER SWANSON	906,812.	PHYSICIAN S		X
SO LAKE ORTHOPEDIC EMERGEN	BOARD MEMBER SWANSO	499,093.	PHYSICIAN S		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: BRITTA SWANSON

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF BOARD OF DIRECTOR, KEITH SWANSON

(D) DESCRIPTION OF TRANSACTION: CONSULTING SERVICE

(A) NAME OF PERSON: LAKE TAHOE ORTHOPAEDIC INSTITUTE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BRD MEMBER SWANSON OWNS 18.57%, SON OWNS 13.57%, BRD MEMBER ORR OWNS 13.57%

(D) DESCRIPTION OF TRANSACTION: PHYSICIAN SERVICES

(A) NAME OF PERSON: TAHOE ORTHOPEDIC SPORTS MEDICINE, INC.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BRD MEMBER SWANSON OWNS 10%, SON OWNS 15% AND BRD MEMBER ORR OWNS 15%

(D) DESCRIPTION OF TRANSACTION: PHYSICIAN SERVICES

(A) NAME OF PERSON: SO LAKE ORTHOPEDIC EMERGENCY COVERAGE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BOARD MEMBER SWANSON - SON IS A SHAREHOLDER (OWNER)

(D) DESCRIPTION OF TRANSACTION: PHYSICIAN SERVICES

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

Open to Public  
Inspection

Name of the organization

BARTON HEALTHCARE SYSTEM

Employer identification number

94-6050274

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

OF HEALTH AND WELLNESS. VISION: BARTON HEALTH IS THE COMMUNITY HEALTH  
LEADER KNOWN FOR COMPASSION AND CHOSEN FOR QUALITY.

FORM 990, PART III, LINE 2, NEW PROGRAM SERVICES:

CENTER OF ORTHOPEDIC AND WELLNESS OPENED IN MID 2018 PROVIDING  
INTEGRATED REHAB, WELLNESS, ORTHOPEDIC AND PERFORMANCE SERVICES.  
GASTROENTEROLOGY CLINIC OPENED IN THE FALL OF 2018.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

COMMUNITY HEALTH EVENTS: BARTON HEALTH PROVIDES FREE OR DISCOUNTED  
SERVICES AT COMMUNITY HEALTH EVENTS INCLUDING COMMUNITY HEALTH FAIRS,  
LAB DRAWS, MAMMOGRAMS, EKG TESTS, FAMILY HEALTH DAY, AND VACCINATION  
CLINICS, CANCER WELLNESS PROGRAM, SMOKING CESSATION PROGRAMS, AND  
COMMUNITY EVENT MEDICAL SERVICES.

YOUTH PROGRAMS: BARTON HEALTH PROMOTES HEALTH WITHIN YOUTH POPULATIONS  
THROUGH PROGRAMS THAT EDUCATE ABOUT THE RAMIFICATIONS OF DRUG AND  
ALCOHOL USE; DRUNK DRIVING; THE SPONSORSHIP OF YOUTH ACTIVITIES THAT  
PROMOTE HEALTH; FREE SPORTS PHYSICALS; SPORTS INJURY PREVENTION; AND  
HEALTH CAREER PROMOTION ACTIVITIES.

COMMUNITY HEALTH EDUCATION PROGRAMS: MAILED COMMUNITY NEWSLETTER; FREE  
ONLINE E-NEWSLETTERS AND HEALTH LIBRARY; CHILDBIRTH EDUCATION CLASSES;  
CHILD/INFANT CPR AND FIRST-AID; NEW MOM'S SUPPORT PROGRAM; AND FREE

Name of the organization

BARTON HEALTHCARE SYSTEM

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94-6050274

COMMUNITY HEALTH LECTURE SERIES.

SUPPORT GROUPS: GRIEF SUPPORT GROUPS; PARKINSON'S SUPPORT GROUP,

WOMEN'S CANCER SUPPORT GROUP AND CHILDREN'S BEREAVEMENT CAMP.

HEALTHCARE CAREER INTERNSHIP: THIS 4-WEEK PROGRAM IS OFFERED EACH

SUMMER AND IS AVAILABLE TO GRADUATING HIGH SCHOOL AND COLLEGE STUDENTS

INTERESTED IN PURSUING A CAREER IN HEALTHCARE. STUDENTS WITH THE WORK

THE PRECEPTORS IN 12 CLINICAL DEPARTMENTS TO OBTAIN EXPOSURE TO A WIDE

ARRAY OF CAREER OPPORTUNITIES.

COLLABORATION: ACCESS EL DORADO INVOLVING PUBLIC AND PRIVATE AGENCIES

TO CREATE HEALTHIER COMMUNITIES ESPECIALLY WITHIN OUR VULNERABLE

POPULATIONS; TELEHEALTH FOR TAHOE THAT BRINGS ADDITIONAL SPECIALTY

HEALTH ACCESSIBLE THROUGH TELEMEDICINE; AND EMERGENCY MANAGEMENT

COMMUNITY COUNCIL (BARTON HEALTH HOSTS AND CHAIRS) THAT MEETS WITH

AREAS AGENCIES EVERY OTHER MONTH TO DISCUSS EMERGENCY PREPAREDNESS AND

EDUCATION WITHIN OUR COMMUNITY. BARTON ADDITIONALLY PARTNERS WITH

COVERED CALIFORNIA AS A CERTIFIED ENROLLMENT ENTITY THAT ASSISTS

RESIDENTS WITH ENROLLING FOR HEALTH COVERAGE AT NO COST.

COMMUNITY HEALTH IMPROVEMENT EFFORTS: BARTON LEADS THE COMMUNITY

HEALTH ADVISORY COMMITTEE (25-MEMBER ALL VOLUNTEER COMMUNITY BOARD)

WHICH IS FOCUSED ON IDENTIFYING AND THEN ADDRESSING UNMET HEALTH NEEDS

AND THE BEHAVIORAL HEALTH NETWORK (25-MEMBER ALL-VOLUNTEER COMMUNITY

BOARD LED BY A PAID FACILITATOR AND SUPPORT BY BARTON HEALTH STAFF;

FUNDED BY A \$200,000 HRSA GRANT) WHICH IS FOCUSED PRIMARILY ON

IDENTIFYING AND ADDRESSING THE GAPS IN OUR COMMUNITY'S MENTAL HEALTH

SERVICES. IN ADDITION, BARTON FUNDS THE BARTON HEALTH GRANTS PROGRAM

Name of the organization

BARTON HEALTHCARE SYSTEM

Employer identification number

94-6050274

WHICH PROVIDES \$50,000 ANNUALLY TO AREA NON-PROFITS THAT PROVIDE PROGRAMS AND SERVICES THAT CLOSELY ALIGN WITH OUR COMMUNITY'S NEED BRIDGING THE GAPS IN OUR SYSTEM.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

PATIENT ARE SOMETIMES UNDOCUMENTED MIGRANT WORKERS NOT ELIGIBLE FOR MEDI-CAL OR ARE INSURED LOW INCOME PATIENTS WITH VERY HIGH DEDUCTIBLES. UNDERINSURED AND UNINSURED PRIVATE PAY PATIENTS ARE CHARGED ON A SLIDING SCALE BASED ON INCOME AND SERVICES PROVIDED. BARTON'S COMMUNITY HEALTH CENTER SERVES AS A GATEWAY FOR PATIENTS IN NEED OF HEALTH CARE INCLUDING THOSE SEEKING FAMILY PLANNING SERVICES, PRECONCEPTION INFORMATION AND REFERRALS FOR STERILIZATION, LEVEL 1 INFERTILITY SERVICES, STD TREATMENT, REFERRALS FOR HIV SERVICES AND SCREENING FOR DES (DIETHYLSTILBESTROL) EXPOSURE.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

CHARITY CARE.

FORM 990, PART VI, SECTION A, LINE 2:

KIRK LEDBETTER AND JEFF RAHBECK HAVE A BUSINESS RELATIONSHIP. TERRY ORR, MD AND KEITH SWANSON, MD HAVE A BUSINESS RELATIONSHIP.

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

THERE ARE TWO CLASSES OF MEMBERS IN THE ORGANIZATION: VOTING MEMBERS AND ASSOCIATE MEMBERS. CLASS I VOTING MEMBERS ARE THOSE WHO HAVE CONTRIBUTED \$200 OR MORE PRIOR TO JULY 11, 1986. EACH CLASS I VOTING MEMBER HAS THE RIGHT TO CAST 1 VOTE, BUT NOT MORE THAN 5 VOTES FOR EACH \$200 CONTRIBUTION.

Name of the organization

BARTON HEALTHCARE SYSTEM

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CLASS II VOTING MEMBERS ARE THOSE INDIVIDUALS ADMITTED AFTER JULY 10, 1986 WHO HAVE CONTRIBUTED \$1,500 OR MORE. EACH CLASS II VOTING MEMBER HAS THE RIGHT TO CAST 1 VOTE, BUT NOT MORE THAN 5 VOTES, FOR EACH \$1,500 CONTRIBUTION. ASSOCIATE MEMBERS DO NOT HAVE VOTING RIGHTS. MEMBERS DO NOT HAVE THE RIGHT TO APPROVE SIGNIFICANT DECISIONS NOR RECEIVE DISTRIBUTIONS UPON DISSOLUTION.

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

THE PRESIDENT/CHAIRMAN OF THE ORGANIZATION SHALL APPOINT A COMMITTEE OF NOT MORE THAN 5 OR LESS THAN 3 MEMBERS TO SERVE AS A NOMINATING COMMITTEE IN THE ELECTION OF THE BOARD OF DIRECTORS. MEMBERS REPRESENTING THE LESSER OF 2% OF THE MEMBERSHIP OR 100 MEMBERS MAY ALSO NOMINATE CANDIDATES FOR DIRECTOR. IF MORE PEOPLE ARE NOMINATED FOR THE BOARD THAN CAN BE ELECTED, MEMBERS ARE PERMITTED TO VOTE AND THE CANDIDATES RECEIVING THE HIGHEST NUMBER OF VOTES SHALL BE ELECTED.

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

BYLAW AMENDMENTS ARE SUBJECT TO APPROVAL BY THE VOTING MEMBERS.

FORM 990, PART VI, SECTION A, LINE 8B:

THERE ARE NO COMMITTEES THAT HAVE THE AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BOARD.

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

EACH MEMBER OF THE GOVERNING BOARD OF DIRECTORS AND OFFICERS ARE PROVIDED WITH AN ELECTRONIC COPY OF THE FORM 990 FOR REVIEW PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE.

Name of the organization

BARTON HEALTHCARE SYSTEM

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

THE GOVERNING BOARD MEMBERS ARE REQUIRED TO COMPLETE AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE PURSUANT TO WRITTEN POLICY, THE BOARD MEMBERS ARE PRECLUDED FROM PARTICIPATING IN DEBATE AND VOTING ON ANY ISSUE IN WHICH THE MEMBER(S) (OR FAMILY MEMBER) MAY HAVE A PERSONAL OR BUSINESS INTEREST. THE BOARD CHAIR AND/OR HOSPITAL COUNCIL WILL DETERMINE IF THERE IS A CONFLICT. EMPLOYEES ARE PROVIDED WITH A COPY OF THE CONFLICT OF INTEREST POLICY THAT IS WITHIN AN ELECTRONIC POLICY SOFTWARE PROGRAM THAT REQUIRES EMPLOYEES TO MARK AS READ AS NEW HIRES OR AS CHANGES ARE MADE AND ARE MONITORED BY THEIR IMMEDIATE SUPERVISORS.

EMPLOYEES ARE REQUIRED TO BE FAMILIAR WITH THE POLICY AT ALL TIMES. THEY DO NOT FORMALLY REVIEW THE POLICY ANNUALLY BUT ARE REQUIRED TO STILL DISCLOSE ANY POTENTIAL CONFLICTS THAT MAY ARISE.

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

THE ORGANIZATION ENGAGED AN INDEPENDENT FIRM TO CONDUCT AN EXECUTIVE COMPENSATION SURVEY. THE INDEPENDENT FIRM ISSUED A CERTIFICATION OF REASONABLENESS UPON COMPARING EXECUTIVE COMPENSATION WITH SIMILAR ORGANIZATIONS. THE COMPENSATION COMMITTEE CONSISTING OF BOARD MEMBERS REVIEWS THE CEO COMPENSATION AND APPROVES CHANGES TO THE EXECUTIVE TEAM'S CONTRACTS. THE COMMITTEE SUBSTANTIATES THIS PROCESS IN THEIR MINUTES.

THE CEO APPROVES THE COMPENSATION FOR THE REMAINING EXECUTIVE TEAM USING DATA OBTAINED FROM ANNUAL SURVEYS PERFORMED BY THE CALIFORNIA HEALTHCARE ASSOCIATION AS WELL AS COMPARISONS OF SPECIFIC COMPENSATION OF EXECUTIVES FROM SIMILAR-SIZED HOSPITALS IN CALIFORNIA LOCATED IN THE SAME GEOGRAPHIC AREA. BARTON HEALTHCARE SYSTEM IS A BI-STATE HEALTHCARE PROVIDER THAT

Name of the organization BARTON HEALTHCARE SYSTEM	Employer identification number 94-6050274
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INCLUDES A LICENSED 63-BED FULL-SERVICE HOSPITAL WITH A 24-HOUR EMERGENCY ROOM; DESIGNATED LEVEL III TRAUMA CENTER; 48-BED SKILLED NURSING AND LONG-TERM CARE FACILITY; STATE OF THE ART OPERATING ROOMS AND REHABILITATION DEPARTMENTS; NEWLY CONSTRUCTED CENTER OF ORTHOPEDICS AND WELLNESS; HOME HEALTH, HOSPICE AND PALLIATIVE CARE SERVICES; LAKE TAHOE SURGERY CENTER; 50% OWNERSHIP IN CARSON VALLEY MEDICAL CENTER (A FULL-SERVICE HOSPITAL LOCATED IN THE CARSON VALLEY); SATELLITE LAB FACILITIES; BARTON EDUCATION (PROVIDING CLINICAL AND COMMUNITY HEALTH EDUCATION); BARTON AUXILIARY; AND BARTON MEMORIAL HOSPITAL FOUNDATION (A 501(C)(3) SUPPORTING ORGANIZATION). THE SYSTEM FURTHER INCLUDES OVER 22 OUTPATIENT PHYSICIAN CLINICS WHICH ENCOMPASS ORTHOPEDIC CLINICS, OB/GYN CLINICS, PEDIATRICS, INTERNAL MEDICINE, REHABILITATION, MULTI-SPECIALTY GENERAL SURGERY/GI, URGENT CARE/OCCUPATIONAL HEALTH CLINICS, FAMILY CARE CLINICS, LOW-INCOME COMMUNITY CLINIC, AND SEASONAL SKI CLINICS.

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

DOCUMENTS REQUIRING PUBLIC DISCLOSURE ARE AVAILABLE UPON REQUEST AND ARE POSTED ON THE ORGANIZATION'S WEBSITE: WWW.BARTONHEALTH.ORG. ORGANIZATION CONTACT MINDI BEFU 530-543-5601

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

CONSULTING:

PROGRAM SERVICE EXPENSES	724,771.
MANAGEMENT AND GENERAL EXPENSES	484,533.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,209,304.

OTHER PURCHASED SERVICES:



Name of the organization <b>BARTON HEALTHCARE SYSTEM</b>	Employer identification number <b>94-6050274</b>
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<b>PROGRAM SERVICE EXPENSES</b>	<b>1,138,164.</b>
<b>MANAGEMENT AND GENERAL EXPENSES</b>	<b>2,560,038.</b>
<b>FUNDRAISING EXPENSES</b>	<b>0.</b>
<b>TOTAL EXPENSES</b>	<b>3,698,202.</b>

**MEDICAL PURCHASED SERVICES:**

<b>PROGRAM SERVICE EXPENSES</b>	<b>26,557,352.</b>
<b>MANAGEMENT AND GENERAL EXPENSES</b>	<b>329,949.</b>
<b>FUNDRAISING EXPENSES</b>	<b>0.</b>
<b>TOTAL EXPENSES</b>	<b>26,887,301.</b>

**TEMPORARY PERSONNEL:**

<b>PROGRAM SERVICE EXPENSES</b>	<b>2,431,594.</b>
<b>MANAGEMENT AND GENERAL EXPENSES</b>	<b>1,007,952.</b>
<b>FUNDRAISING EXPENSES</b>	<b>0.</b>
<b>TOTAL EXPENSES</b>	<b>3,439,546.</b>

**TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A** **35,234,353.**

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

<b>CHANGES IN FOUNDATION NET ASSETS NOT RECORDED IN HOSPITAL FOUNDATION</b>	<b>-3,383.</b>
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**FORM 990, PART XII, LINE 2C**

**THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.**

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **BARTON HEALTHCARE SYSTEM** Employer identification number **94-6050274**

**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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
BARTON MEMORIAL HOSPITAL FOUNDATION, INC. - 88-0268799, 2092 LAKE TAHOE BLVD, STE 600, SOUTH LAKE TAHOE, CA 96150	SUPPORTING ORGANIZATION	NEVADA	501(C)(3)	LINE 12B, II	BARTON HEALTHCARE SYSTEM	X	

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

Schedule R (Form 990) 2018

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

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

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

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

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

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

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	X	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	X	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	X	
<b>o</b> Sharing of paid employees with related organization(s) .....	X	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....		X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	X	
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		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) BARTON MEMORIAL HOSPITAL FOUNDATION	B	566,922.	BOOK VALUE/ACTUAL
(2) BARTON MEMORIAL HOSPITAL FOUNDATION	C	205,231.	BOOK VALUE/ACTUAL
(3) BARTON MEMORIAL HOSPITAL FOUNDATION	Q	153,385.	BOOK VALUE/ACTUAL
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	



Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2018

For calendar year 2018 or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Department of the Treasury Internal Revenue Service

Open to Public Inspection for 501(c)(3) Organizations Only

Part I: Name of organization (BARTON HEALTHCARE SYSTEM), Employer identification number (94-6050274), Address (PO BOX 9578, SOUTH LAKE TAHOE, CA 96158)

Part II: Book value of all assets at end of year (283,899,566), Group exemption number, Check organization type (501(c) corporation)

Part III: Enter the number of the organization's unrelated trades or businesses (1), Describe the only (or first) unrelated trade or business here (SEE STATEMENT 1)

Part IV: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (No)

Part V: The books are in care of (KELLY NEIGER), Telephone number (530-541-3420)

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Cost of goods sold, Gross profit, Capital gain net income, etc.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

Table with 3 columns: Description, (A) Income, (B) Expenses. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, etc.

**Part III Total Unrelated Business Taxable Income**

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	0.
34	Amounts paid for disallowed fringes	34	
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000.
38	<b>Unrelated business taxable income.</b> Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	0.

**Part IV Tax Computation**

39	<b>Organizations Taxable as Corporations.</b> Multiply line 38 by 21% (0.21)	39	0.
40	<b>Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	<b>Proxy tax.</b> See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	<b>Tax on Noncompliant Facility Income.</b> See instructions	43	
44	<b>Total.</b> Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	0.

**Part V Tax and Payments**

45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a	
b	Other credits (see instructions)	45b	
c	General business credit. Attach Form 3800	45c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d	
e	<b>Total credits.</b> Add lines 45a through 45d	45e	
46	Subtract line 45e from line 44	46	0.
47	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	47	
48	<b>Total tax.</b> Add lines 46 and 47 (see instructions)	48	0.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49	0.
50a	Payments: A 2017 overpayment credited to 2018	50a	
b	2018 estimated tax payments	50b	
c	Tax deposited with Form 8868	50c	
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d	
e	Backup withholding (see instructions)	50e	
f	Credit for small employer health insurance premiums (attach Form 8941)	50f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g	
51	<b>Total payments.</b> Add lines 50a through 50g	51	
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	52	
53	<b>Tax due.</b> If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53	
54	<b>Overpayment.</b> If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54	
55	Enter the amount of line 54 you want: <b>Credited to 2019 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	55	

**Part VI Statements Regarding Certain Activities and Other Information** (see instructions)

56	At any time during the 2018 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
57	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
58	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

**Sign Here** 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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ CFO \_\_\_\_\_ Title \_\_\_\_\_  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>TERRI REXRODE CPA, MST</b>	Preparer's signature <b>TERRI REXRODE CPA, MST</b>	Date <b>09/06/19</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00096513</b>
	Firm's name <b>WIPFLI LLP</b>			Firm's EIN <b>39-0758449</b>	
	Firm's address <b>PO BOX 12237 GREEN BAY, WI 54307-2237</b>			Phone no. <b>920.662.0016</b>	



**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year .....	1		6	Inventory at end of year .....	6			
2	Purchases .....	2		7	<b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2 .....	7			
3	Cost of labor .....	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....		Yes	No	
4a	Additional section 263A costs (attach schedule) .....	4a							
b	Other costs (attach schedule) .....	4b							
5	<b>Total.</b> Add lines 1 through 4b .....	5							

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) .....

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> .....		Enter here and on page 1, Part I, line 7, column (A). 0.		Enter here and on page 1, Part I, line 7, column (B). 0.
<b>Total dividends-received deductions</b> included in column 8 .....				0.

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
<b>Totals</b>			0.	0.

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
<b>Totals</b>		0.		0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5))	0.	0.				0.

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> .....	<b>0.</b>	<b>0.</b>				<b>0.</b>
<b>Totals, Part II (lines 1-5)</b> .....	Enter here and on page 1, Part I, line 11, col. (A). <b>0.</b>	Enter here and on page 1, Part I, line 11, col. (B). <b>0.</b>				Enter here and on page 1, Part II, line 27. <b>0.</b>

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 .....			<b>0.</b>

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FORM 990-T      DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED      STATEMENT 1  
BUSINESS ACTIVITY

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AFTER FILING AN EXTENSION FOR FORM 990T, IT WAS DISCOVERED THAT GROSS RECEIPTS FROM UNRELATED BUSINESS ACTIVITY WAS UNDER \$1,000 AND NO FILING IS REQUIRED.

TO FORM 990-T, PAGE 1

# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
<b>Type or print</b>	Name of exempt organization or other filer, see instructions.  <b>BARTON HEALTHCARE SYSTEM</b>	Employer identification number (EIN) or  <b>94-6050274</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>PO BOX 9578</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SOUTH LAKE TAHOE, CA 96158</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**KELLY NEIGER**

- The books are in the care of ▶ **PO BOX 9578 - SOUTH LAKE TAHOE, CA 96158**  
Telephone No. ▶ **530-541-3420** Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until **NOVEMBER 15, 2019**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2018** or  
▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Electronic Filing PDF Attachment

# Barton Healthcare System

South Lake Tahoe, California

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017

**WIPFLI**<sup>LLP</sup>  
CPAs and Consultants

# Barton Healthcare System

Years Ended December 31, 2018 and 2017

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## **Independent Auditor's Report**

Board of Directors  
Barton Healthcare System  
South Lake Tahoe, California

We have audited the accompanying consolidated financial statements of Barton Healthcare System, which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Barton Healthcare System as of December 31, 2018, and the results of their operations, changes in their net assets, and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Emphasis of Matter**

As discussed in Note 1 to the consolidated financial statements, Barton Healthcare System adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements for Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The amendments have been applied on a retrospective basis, with the exception of the omission of certain information as permitted by the ASU.

Also, as discussed in Note 1 to the consolidated financial statements, Barton Healthcare System adopted the amendments in ASU 2014-09, *Revenue from Contracts with Customers*, as of and for the year ended December 31, 2018. The amendments have been applied on a retrospective basis.

## **Prior-Period Consolidated Financial Statements**

The consolidated financial statements of Barton Healthcare System as of December 31, 2017, were audited by other auditors, whose report dated April 5, 2018, expressed an unmodified opinion on those statements.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

March 28, 2019  
Oakland, California

# Barton Healthcare System

## Consolidated Balance Sheets

<i>December 31,</i>	2018	2017
Current assets:		
Cash and cash equivalents	\$ 31,280,131	\$ 30,251,342
Receivables:		
Patient	26,466,739	25,425,098
California Hospital Fee Program	3,806,602	7,000,131
Other	493,246	794,515
Supplies	2,719,435	2,651,283
Prepaid expenses and other	2,407,450	3,277,882
Total current assets	67,173,603	69,400,251
Assets limited as to use	80,576,409	88,527,744
Property and equipment - Net	102,345,324	86,894,123
Other assets:		
Investment in Washoe Barton Medical Clinic	28,543,799	25,856,668
Land held for investment	9,000,000	9,000,000
Other	4,516,432	4,528,800
Total other assets	42,060,231	39,385,468
TOTAL ASSETS	\$ 292,155,567	\$ 284,207,586

## Barton Healthcare System

### Consolidated Balance Sheets (Continued)

<i>December 31,</i>	2018	2017
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 4,478,249	\$ 4,772,672
Accounts payable and accrued liabilities	6,192,996	5,620,956
Accrued payroll and payroll-related liabilities	8,199,475	6,174,386
Estimated third-party payor settlements	1,474,326	632,483
Other current liabilities	819,569	933,157
Current portion of claims reserves	2,601,368	2,250,428
<b>Total current liabilities</b>	<b>23,765,983</b>	<b>20,384,082</b>
<b>Long-term liabilities:</b>		
Claims reserves, less current portion	6,259,975	7,389,988
Long-term debt, less current maturities	20,799,072	25,213,136
Other long-term obligations	200,000	200,000
<b>Total long-term liabilities</b>	<b>27,259,047</b>	<b>32,803,124</b>
<b>Total liabilities</b>	<b>51,025,030</b>	<b>53,187,206</b>
<b>Net assets:</b>		
Without donor restriction	236,070,912	214,938,925
With donor restriction	5,059,625	16,081,455
<b>Total net assets</b>	<b>241,130,537</b>	<b>231,020,380</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 292,155,567</b>	<b>\$ 284,207,586</b>

See accompanying notes to consolidated financial statements.

# Barton Healthcare System

## Consolidated Statements of Operations

<i>Years Ended December 31,</i>	2018	2017
<b>Revenue:</b>		
Patient service revenue	\$ 180,919,037	\$ 160,079,128
Other operating revenue	3,023,592	3,352,167
<b>Total revenue</b>	<b>183,942,629</b>	<b>163,431,295</b>
<b>Expenses:</b>		
Salaries and wages	66,938,522	61,775,700
Employee benefits	19,740,581	17,437,973
Medical fees	25,921,071	25,399,820
Supplies	19,819,793	19,371,410
Purchased services and other	27,609,806	25,593,280
Depreciation	9,459,751	8,070,700
Bad debts	1,814,521	1,345,892
Interest	474,784	554,712
<b>Total operating expenses</b>	<b>171,778,829</b>	<b>159,549,487</b>
<b>Income from operations</b>	<b>12,163,800</b>	<b>3,881,808</b>
<b>Other income:</b>		
Investment income	3,212,662	2,815,578
Other income	2,866,583	2,391,427
<b>Total other income</b>	<b>6,079,245</b>	<b>5,207,005</b>
Revenue in excess of expenses	18,243,045	9,088,813
Change in unrealized gains (losses) on investments	(8,424,103)	6,442,065
Net assets released from restrictions for property and equipment	11,313,045	295,952
<b>Increase in net assets without donor restriction</b>	<b>\$ 21,131,987</b>	<b>\$ 15,826,830</b>

See accompanying notes to consolidated financial statements.

# Barton Healthcare System

## Consolidated Statements of Changes in Net Assets

<i>Years Ended December 31,</i>	2018	2017
Net assets without donor restriction:		
Revenue in excess of expenses	\$ 18,243,045	\$ 9,088,813
Changes in unrealized gains (losses) on investments	(8,424,103)	6,442,065
Net assets released from restrictions for property and equipment	11,313,045	295,952
Increase in net assets without donor restriction	21,131,987	15,826,830
Net assets with donor restriction:		
Contributions	291,215	592,419
Net assets released from restrictions	(11,313,045)	(295,952)
Increase (decrease) in net assets with donor restriction	(11,021,830)	296,467
Increase in net assets	10,110,157	16,123,297
Net assets at beginning	231,020,380	214,897,083
Net assets at end	\$ 241,130,537	\$ 231,020,380

See accompanying notes to consolidated financial statements.

# Barton Healthcare System

## Consolidated Statements of Cash Flows

Years Ended December 31,	2018	2017
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Increase in net assets	\$ 10,110,157	\$ 16,123,297
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	9,459,751	8,070,700
Amortization of debt issuance costs	64,185	64,185
Loss on disposal of property and equipment	82,798	58,384
Bad debts	1,814,521	1,345,892
Restricted contributions	(291,215)	(592,419)
Realized and change in unrealized (gains) losses on investments	7,472,533	(7,360,616)
Equity interest in earning of Washoe Barton Medical Clinic	(2,687,131)	(2,361,191)
Changes in operating assets and liabilities:		
Patient accounts receivable	(2,856,162)	(1,716,744)
California Hospital Fee Program receivable	3,193,529	(4,057,364)
Other receivables	301,269	4,824,647
Supplies	(68,152)	(26,982)
Prepaid expenses and other	870,432	10,142
Other assets	12,368	(856,239)
Accounts payable and accrued liabilities	(319,893)	(151,873)
Accrued payroll and payroll-related liabilities	2,025,089	(537,969)
Estimated third-party payor settlements	841,843	8,761
Other current liabilities	(113,588)	149,105
Claims reserves	(779,073)	369,739
Net cash provided by operating activities	29,133,261	13,363,455
Cash flows from investing activities:		
Purchases of property and equipment	(24,189,662)	(14,638,747)
Proceeds from the sale of property and equipment	87,845	54,618
Proceeds from assets limited as to use	11,287,064	7,126,428
Purchases of assets limited as to use	(10,808,262)	(3,572,346)
Net cash used in investing activities	\$ (23,623,015)	\$ (11,030,047)

# Barton Healthcare System

## Consolidated Statements of Cash Flows (Continued)

<i>Years Ended December 31,</i>	2018	2017
Increase (decrease) in cash and cash equivalents: (Continued)		
Cash flows from financing activities:		
Principal payments on long-term debt obligations	\$ (4,772,672)	\$ (4,675,867)
Donor-restricted contributions	291,215	592,419
Net cash used in financing activities	(4,481,457)	(4,083,448)
Net change in cash and cash equivalents	1,028,789	(1,750,040)
Cash and cash equivalents at beginning	30,251,342	32,001,382
Cash and cash equivalents at end	\$ 31,280,131	\$ 30,251,342
<b>Supplemental cash flow information:</b>		
Cash paid during the year for interest, net of capitalized interest of \$241,274 in 2018 and \$519,509 in 2017.	\$ 410,599	\$ 490,528
Property and equipment additions included in accounts payable and accrued liabilities.	\$ 891,933	\$ -

See accompanying notes to consolidated financial statements.



# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **The Entity**

Barton Healthcare System (the "Healthcare System") is a California nonprofit corporation. Included in these consolidated financial statements are the following entities:

- The Healthcare System includes Barton Memorial Hospital (the "Hospital"), a 111-bed acute-care hospital, including a 48-bed skilled nursing facility, located in South Lake Tahoe, California. The Hospital provides, among other services, primarily inpatient, outpatient, and emergency care services for the residents of the South Lake Tahoe Basin. The Hospital has an Auxiliary, which functions as a separate department of the Hospital. The Auxiliary sponsors various fundraisers for the Hospital's equipment purchases and expansion needs. The Auxiliary contributed \$24,000 during 2018 and \$57,500 during 2017 to the Hospital.
- Barton Memorial Hospital Foundation, Inc. (the "Foundation") is a Nevada nonprofit corporation and was formed in 1990 to expand the community awareness of the Hospital and to raise and manage donor funds for programs, activities, and capital construction. The Foundation is included as a consolidated subsidiary of the Healthcare System. The Hospital funds the operating expenses of the Foundation. For the years ended December 31, 2018 and 2017, the Foundation contributed \$205,231 and \$208,870, respectively, for support of the Hospital.

#### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Hospital and the Foundation, which are collectively referred to as the "Healthcare System". All significant intercompany accounts and transactions have been eliminated in preparing the accompanying consolidated financial statements.

#### **Financial Statement Presentation**

The Healthcare System follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Use of Estimates in Preparation of Consolidated Financial Statements**

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **Cash Equivalents**

The Healthcare System considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

#### **Patient Accounts Receivable and Credit Policy**

Patient accounts receivable are reported at the amount that reflects the consideration to which the Healthcare System expects to be entitled in exchange for providing patient care services. Patient accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and implicit price concessions, which reflects management's estimate of the transaction price. The Healthcare System estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions and is recorded through a reduction of gross revenue and a credit to patient accounts receivable. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Healthcare System does not have a policy to charge interest on past due accounts.

#### **Contributions Receivable**

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received and are included in other receivables in the accompanying consolidated financial statements.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Supplies**

Supplies are stated at the lower of cost (using the first-in, first-out method) or net realizable value.

#### **Assets Limited as to Use and Investment Income**

Assets limited as to use are measured at fair value in the accompanying consolidated balance sheets, except for cash and cash equivalents, money markets funds, and certificates of deposit, which are stated at cost plus accrued interest, and hedge funds, which are stated at net asset value (NAV) per share or its equivalent, such as member units or an ownership interest in partners' capital.

Assets limited as to use include assets designated by the Board of Directors for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets designated by the Board of Directors for endowment; and assets held by a trustee under an indenture agreement for fixed assets acquisition and for workers' compensation claims and other.

Investment income (including realized gains and losses on investments, interest, and dividends) is included in revenue in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenue in excess of expenses unless the investments are trading securities. Realized gains and losses are determined by specific identification. Investment income is recorded as other income in the consolidated statements of operations.

The Healthcare System monitors the difference between the cost and fair value of its investments. If investments experience a decline in value that the Healthcare System determines is other than temporary, the Healthcare System records a realized loss in investment income.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### **Property, Equipment, and Depreciation**

Property and equipment acquisitions in excess of \$5,000 are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Leasehold improvements are amortized over the shorter period of the estimated useful life or the remaining term of the lease. Estimated useful lives range from 5 to 25 years for land improvements, 3 to 10 years for equipment, and 20 to 40 years for buildings.

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets, net of any earnings on these funds. For major capital additions that require a period of time to get them ready for their intended use but are not acquired with a specific tax-exempt borrowing, the Healthcare System capitalizes an allocation of interest cost incurred during the period required to complete the asset.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Healthcare System reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Asset Impairment**

The Healthcare System evaluates its long-lived assets, which consist primarily of property and equipment with finite useful lives, for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Carrying value of the long-lived assets is compared with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Healthcare System would recognize an impairment loss at that time. The Healthcare System determined that no evaluations of assets for impairment were necessary in 2018 and 2017.

#### **Investment in Washoe Barton Medical Clinic**

The investment in Washoe Barton Medical Clinic is recorded under the equity method of accounting. Under the equity method, the initial investment is recorded at cost and adjusted periodically to recognize the Healthcare System's share of earnings and losses of that entity, net of any additional investments or distributions. The Healthcare System's share of net earnings or losses of Washoe Barton Medical Clinic is included in other income in the accompanying consolidated statements of operations.

#### **Land Held for Investment**

The asset is a vacant parcel of land that the Healthcare System is holding for a potential sale at a later date. This land held for investment was originally recorded at cost. In 2008 and 2010, an impairment was recorded on this land to bring the value to \$9,000,000. No impairment was recorded for the years ended December 31, 2018 and 2017.

#### **Self-Insurance Reserves**

The Healthcare System provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan, professional liability insurance program, and workers' compensation insurance program. These reserves, which are included in current liabilities and long-term liabilities in the consolidated balance sheets, are estimated based on historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

#### **Unamortized Debt Issuance Costs**

Unamortized debt issuance costs have been capitalized and are being amortized over the related debt term using the straight-line method. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated statements of operations.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Net Assets**

Net assets without donor restrictions consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Healthcare System and include those expendable resources which have been designated for special use by the Healthcare System's Board of Directors. Net assets with donor restrictions are those net assets whose use by the Healthcare System has been limited by donors to a specific time period or purpose or which have been restricted by donors to be maintained by the Healthcare System in perpetuity.

#### **Patient Service Revenue**

Patient care service revenue is reported at the amount that reflects the consideration to which the Healthcare System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments resulting from settlement of audits, reviews, and investigations. Generally, the Healthcare System bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Generally, performance obligations satisfied over time relate to patients receiving hospital inpatient acute care services, nursing home post-acute care services, and hospice post-acute care services. For these services, the Healthcare System measures the performance obligation from admission to the point when there are no further services required for the patient, which is generally at the time of discharge. For outpatient services provided in the Healthcare System's hospital, clinics, nursing home, and home health services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. The Healthcare System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because the Healthcare System's performance obligations relate to contracts with a duration of less than one year, the Healthcare System has elected to apply the optional exemption and therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Patient Service Revenue** (Continued)

The Healthcare System uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The Healthcare System used the following factors to develop portfolios: major payor classes, type of service (i.e. inpatient, outpatient, emergency, clinic), and geographic location. Using historical collection trends and other analysis, the Healthcare System evaluated the accuracy of its estimate and determined that recognizing revenue by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

The Healthcare System has agreements with third-party payors that typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

*Medicare* - Inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Outpatient services are paid using prospectively determined rates or fixed-fee schedules. Physician services are paid based on established fee schedules, except for rural health clinic services which are paid based upon a cost per visit methodology subject to an upper payment limit. Inpatient nonacute services, certain outpatient services, medical education costs, and defined capital costs related to Medicare beneficiaries are paid based, in part, on a cost-reimbursement methodology.

*Medi-Cal* - Inpatient services are generally paid at prospectively determined rates. Outpatient services are paid at prospectively determined rates per procedures, determined by the State of California. Physician services are paid based upon established fee schedules, except for rural health clinic services which are paid based upon prospectively determined rates. For rural health clinic services, the Healthcare System is reimbursed on an interim basis at a reduced rate for visits insured by Medi-Cal managed care plans with final reconciliations submitted to the State of California to determine any underpayment or overpayment based on the established prospectively determined rates.

*Other* - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates, and fee schedules.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Patient Service Revenue** (Continued)

##### **Laws and Regulations**

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Because of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which in some instances have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Healthcare System's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have on the Healthcare System.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RAC) to search for potentially inaccurate Medicare payments that might have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The Healthcare System has not been notified by the RAC of any potential significant reimbursement adjustments. In addition, the contracts the Healthcare System has with commercial payors also provide for retroactive audit and review of claims.

##### **Accounting for Contractual Arrangements**

Settlements with third-party payors for retroactive adjustments resulting from audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Healthcare System's historical settlement activity, including an assessment to ensure that it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available) or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2018 and 2017. The Healthcare System's cost reports have been settled by the Medicare fiscal intermediaries through December 31, 2014. The Healthcare System's Medi-Cal cost reports have been settled by the California Department of Health Care Services (DHCS) through December 31, 2016.



# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Patient Service Revenue** (Continued)

##### **Accounting for Contractual Arrangements** (Continued)

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Healthcare System also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Healthcare System estimates the transaction price for patients with deductibles and coinsurance and for those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2018 and 2017, was \$1,814,521 and \$1,345,892, respectively.

Consistent with the Healthcare System's mission, care is provided to patients regardless of their ability to pay. Therefore, the Healthcare System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between the amounts billed to patients and the amounts the Healthcare System expects to collect based on its collection history with those patients. The Healthcare System's policy is to provide a 30% discount from established charges to uninsured patients. This policy did not change in 2018 and 2017.

The promised amount of consideration from patients and third-party payors has not been adjusted for the effects of a significant financing component due to the Healthcare System's expectation that the period between the time the service is provided to a patient and the time the patient or a third-party payor pays for that service will be one year or less. However, the Healthcare System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

All incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset the Healthcare System otherwise would have recognized is one year or less in duration.

The Healthcare System determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Healthcare System's policy, and implicit price concessions provided to patients. The Healthcare System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Healthcare System determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Patient Service Revenue** (Continued)

##### **Accounting for Contractual Arrangements** (Continued)

For uninsured patients who do not qualify for charity care, the Healthcare System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Healthcare System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Healthcare System includes price concessions related to uninsured patients in the period the services are provided.

##### **Charity Care**

The Healthcare System provides care to patients who meet criteria under its charity care policy without charge or at amounts less than established rates. Such amounts, determined to qualify as charity care, are not reported as revenue.

The estimated cost of providing care to patients under the Healthcare System's charity care policy is calculated by multiplying the ratio of cost to gross charges for the Healthcare System by the gross uncompensated charges associated with providing charity care.

##### **California Hospital Fee Program**

In November 2009, the first California Hospital Fee Program (the "Program") was signed into California state law. The Program provides supplemental Medi-Cal payments to certain California hospitals. The Program is funded by a quality assurance fee paid by participating hospitals and matching federal funds. Hospitals receive supplemental payments from either DHCS, managed care plans, or a combination of both.

The Program and all of its statutory provisions and protections were made permanent through the passage of the Medi-Cal Funding and Accountability Act (Proposition 52) in the November 2016 General Election. By removing the sunset date of January 1, 2018, in the existing statute (SB 239, 2013), the Act becomes the framework for all future hospital fee programs. Among other statutory provisions, Proposition 52 makes permanent the limit on the amount the state can take out of the program for the General Fund; the construct of the fee program (both the fee side and the payment mechanisms); and the source of data and information used to develop the program. The current program period covers January 1, 2017, through June 30, 2019.

The Healthcare System recognized revenue of \$6,021,394 in 2018 and \$5,652,262 in 2017 for Proposition 52 of the Program. These revenues are included in patient service revenue in the accompanying consolidated statements of operations.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Donor-Restricted Gifts**

Unconditional promises to give cash and other assets to the Healthcare System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. The gifts are reported as "with donor restrictions" if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as "without donor restrictions."

#### **Advertising Costs**

Advertising costs are expensed as incurred.

#### **Revenues in Excess of Expenses**

The accompanying consolidated statements of operations and statements of changes in net assets include the classification revenue in excess of expenses, which is considered the operating indicator. Changes in net assets without donor restriction that are excluded from the operating indicator include unrealized gains and losses on investments other than trading securities, permanent transfer of assets to and from related parties for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Income Taxes**

The Hospital is organized as a California nonprofit corporation, and the Foundation is organized as a Nevada nonprofit corporation. Both have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Hospital and the Foundation are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Hospital and the Foundation are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS, while the Hospital files the form annually.

#### **Change in Accounting Policy**

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958). This ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, and netting of investment expenses with return, among other changes. The guidance in this ASU is effective for the Healthcare System's year ended December 31, 2018, and was applied retrospectively to these comparative consolidated financial statements, with the exception of certain omissions permitted by the ASU.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Healthcare System adopted this guidance as of January 1, 2018. The Healthcare System applied Topic 606 on a retrospective basis and elected the practical expedient in paragraph FASB ASC 606-10-65-1(f)3, under which the Healthcare System does not disclose the aggregate amount of the transaction price allocated to the remaining performance obligations referred to above that are primarily related to inpatient services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. The implementation of this ASU resulted in a change in bad debt presentation, which is reported as an operating expense rather than a patient service revenue deduction. Under this ASU, management's initial estimate of the transaction price includes implicit price concessions, rather than previously being reported as provision for bad debts.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Change in Accounting Policy (Continued)

The following consolidated financial statement line items as of and for the year ended December 31, 2017, were affected by the adoption of this guidance:

	As Previously Reported	As Restated	Effect of Change
Effect of Topic 958 on the Consolidated Balance Sheets:			
Net assets - Unrestricted	\$ 214,938,925	\$ -	\$(214,938,925)
Net assets - Without donor restriction	\$ -	\$ 214,938,925	\$ 214,938,925
Net assets - Temporarily restricted	\$ 12,342,835	\$ -	\$(12,342,835)
Net assets - Permanently restricted	\$ 3,738,620	\$ -	\$(3,738,620)
Net assets - With donor restriction	\$ -	\$ 16,081,455	\$ 16,081,455
Effect of Topic 606 on the Consolidated Statement of Operations:			
Patient service revenue	\$ 171,137,946	\$ 160,079,128	\$ (11,058,818)
Total revenue	\$ 162,085,403	\$ 163,431,295	\$ 1,345,892
Bad debt expense	\$ 12,404,710	\$ 1,345,892	\$ (11,058,818)
Total operating expenses	\$ 158,203,595	\$ 159,549,487	\$ 1,345,892

#### Subsequent Events

Subsequent events have been evaluated through March 28, 2019, which is the date the consolidated financial statements were issued.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 2: Patient Accounts Receivable

Patient accounts receivable consisted of the following at December 31:

	2018	2017
Patient accounts receivable	\$ 76,012,607	\$ 65,792,045
Less - Contractual adjustments and implicit price concessions	49,545,868	40,366,947
<b>Patient accounts receivable - Net</b>	<b>\$ 26,466,739</b>	<b>\$ 25,425,098</b>

### Note 3: Assets Limited as to Use

Assets limited as to use consisted of the following at December 31:

	2018	2017
<b>Board-designated for capital improvements and other:</b>		
Cash and cash equivalents	\$ 1,714,267	\$ 5,783,323
Money markets and certificates of deposit	-	1,012,669
Equity securities	37,886,888	39,426,451
Bonds - Government agencies	22,856,834	16,482,767
Bond funds - Corporate	6,975,495	7,263,183
Fixed income - Other	7,199,855	5,301,878
Hedge funds	2,877,950	10,384,073
<b>Total board-designated for capital improvements and other</b>	<b>79,511,289</b>	<b>85,654,344</b>
<b>Held by trustee under indenture agreements for fixed asset acquisitions:</b>		
Money markets and certificates of deposit	27,502	1,550,000
Cash and cash equivalents	-	305,912
<b>Total held by trustee under indenture agreements for fixed asset acquisitions</b>	<b>27,502</b>	<b>1,855,912</b>
<b>Held by trustee for workers' compensation and other -</b>		
Money markets and certificates of deposit	1,037,618	1,017,488
<b>Total assets limited as to use</b>	<b>\$ 80,576,409</b>	<b>\$ 88,527,744</b>

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 3: Assets Limited as to Use (Continued)

#### Investment Income

Investment income, which includes investment earnings on cash equivalents and assets limited as to use, comprised the following for the years ended December 31:

	2018	2017
Investment income:		
Interest and dividend income	\$ 2,261,092	\$ 1,897,027
Realized gains on investments - Net	951,570	918,551
Total investment income	\$ 3,212,662	\$ 2,815,578
Other changes in net assets without donor restrictions -		
Changes in unrealized gains (losses) on investments	\$ (8,424,103)	\$ 6,442,065

#### Investments in an Unrealized Loss Position

Investments in an unrealized loss position, are shown in the following table at December 31:

	2018		2017	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	\$ 9,800,936	\$ (1,245,159)	\$ 630,801	\$ (79,986)
Bonds - Government agencies	22,801,063	(506,761)	14,719,838	(41,609)
Bond funds - Corporate	6,881,516	(348,942)	1,352,623	(63,570)
Fixed income - Other	6,053,498	(169,255)	2,874,883	(42,498)
Totals	\$ 45,537,013	\$ (2,270,117)	\$ 19,578,145	\$ (227,663)

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 3: Assets Limited as to Use (Continued)

The duration of the investments in an unrealized loss position at December 31, 2018, are shown in the following table:

	Less Than 12 Months		12 Months or More	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	\$ 9,534,829	\$ (1,128,625)	\$ 266,108	\$ (116,534)
Bonds - Government agencies	5,311,599	(138,528)	17,489,465	(368,233)
Bond funds - Corporate	5,239,375	(231,981)	1,642,141	(116,961)
Fixed income - Other	5,291,258	(149,640)	762,240	(19,615)
<b>Totals</b>	<b>\$ 25,377,061</b>	<b>\$ (1,648,774)</b>	<b>\$ 20,159,954</b>	<b>\$ (621,343)</b>

The duration of the investments in an unrealized loss position at December 31, 2017, are shown in the following table:

	Less Than 12 Months		12 Months or More	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	\$ 630,801	\$ (79,986)	\$ -	\$ -
Bonds - Government agencies	14,719,838	(41,609)	-	-
Bond funds - Corporate	1,352,623	(63,570)	-	-
Fixed income - Other	708,902	(25,343)	2,165,981	(17,155)
<b>Totals</b>	<b>\$ 17,412,164</b>	<b>\$ (210,508)</b>	<b>\$ 2,165,981</b>	<b>\$ (17,155)</b>

The unrealized losses on the Healthcare System's investments in equity securities, government agencies, corporate bonds, and fixed income funds were primarily a result of certain market declines consistent with the cyclical nature of the financial markets. The Healthcare System has a diversified portfolio. The Healthcare System's investments in an unrealized loss position consist of 33 investments from various market sectors. Based on that evaluation and the Healthcare System's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Healthcare System does not consider these investments to be other than temporarily impaired at December 31, 2018.



# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 4: Fair Value Measurements

The following tables set forth by measurement level, within the fair value hierarchy, the Healthcare System's assets at fair value at December 31:

2018	Level 1	Level 2	Level 3	Total Assets at Fair Value
Bonds - Government agencies	\$ -	\$ 22,856,834	\$ -	\$ 22,856,834
Bond funds - Corporate	6,975,495	-	-	6,975,495
Fixed income - Other	7,199,855	-	-	7,199,855
Equity securities	37,886,888	-	-	37,886,888
<b>Total assets by valuation hierarchy</b>	<b>\$ 52,062,238</b>	<b>\$ 22,856,834</b>	<b>\$ -</b>	<b>74,919,072</b>
Alternative investments measured using NAV - Hedge funds				2,877,950
<b>Total assets at fair value</b>				<b>\$ 77,797,022</b>

2017	Level 1	Level 2	Level 3	Total Assets at Fair Value
Bonds - Government agencies	\$ -	\$ 16,482,767	\$ -	\$ 16,482,767
Bonds funds - Corporate	7,263,183	-	-	7,263,183
Fixed income - Other	5,301,878	-	-	5,301,878
Equity securities	6,076,369	33,350,082	-	39,426,451
<b>Total assets by valuation hierarchy</b>	<b>\$ 18,641,430</b>	<b>\$ 49,832,849</b>	<b>\$ -</b>	<b>68,474,279</b>
Alternative investments measured using NAV - Hedge funds				10,384,073
<b>Total assets at fair value</b>				<b>\$ 78,858,352</b>

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 4: Fair Value Measurements (Continued)

Reconciliation of the fair value hierarchy tables to the consolidated financial statements was as follows as of December 31:

	2018	2017
Assets limited as to use per consolidated balance sheets	\$ 80,576,409	\$ 88,527,744
Less:		
Cash and cash equivalents	1,714,267	6,089,235
Money markets and certificates of deposit	1,065,120	3,580,157
Totals from the fair value hierarchy tables	\$ 77,797,022	\$ 78,858,352

Following is a description of the valuation methodology used for assets measured at fair value:

*Bonds - Government agencies* - Valued using a variety of techniques including quoted market prices of similar items, broker/deal quotes, or models using interest rates or yield curves.

*Bond funds - Corporate, fixed income, and equity securities* - Valued using quotes from pricing vendors based on recent trading activity and other observable market data.

*Hedge funds* - Valued using NAV per share or its equivalent, such as member units or an ownership interest in partners' capital.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### Note 5: Liquidity

The following reflects the Healthcare System's financial assets and liquidity as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

As part of the Healthcare System's liquidity management, occasionally the Board of Directors designates a portion of operating surplus to be appropriated at its discretion for future operational initiatives and capital expenditures. Though these funds, at the discretion of the Board of Directors, could be released immediately, they are not considered available under the Healthcare System's liquidity management.

As of December 31, 2018, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled debt service payments, and capital items, were as follows:

Financial assets:	
Cash and cash equivalents	\$ 31,280,131
Assets limited as to use	80,576,409
Patient accounts receivable - Net	26,466,739
California Hospital Fee Program receivable	3,806,602
Other receivables	493,246
<hr/>	
Total financial assets	142,623,127
Less those unavailable for general expenditures within one year, due to:	
Board-designated for capital improvements and other	79,511,289
Held by trustee under indenture agreements for fixed assets acquisitions	27,502
Held by trustee for workers' compensation and other	1,037,618
Net assets with donor restriction	5,059,625
<hr/>	
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 56,987,093</u>

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 6: Property and Equipment

Property and equipment consisted of the following at December 31:

	2018	2017
Land	\$ 6,657,853	\$ 4,912,598
Land improvements	3,512,506	3,478,754
Buildings	112,332,081	87,412,984
Equipment	67,443,340	63,141,251
Total property and equipment	189,945,780	158,945,587
Less - Accumulated depreciation and amortization	94,039,745	89,791,304
Net depreciated value	95,906,035	69,154,283
Construction in progress	6,439,289	17,739,840
Property and equipment - Net	\$ 102,345,324	\$ 86,894,123

Construction in progress at December 31, 2018, represents costs related to various projects including an MRI remodel, MRI scanner, and other. The estimated cost to complete these projects will be financed with funds held in trust for fixed asset acquisitions and general operating funds.

### Note 7: Investment in Washoe Barton Medical Clinic

Washoe Barton Medical Clinic d/b/a Carson Valley Medical Center (WBMC) is a Nevada nonprofit corporation that was formed in November 2000. The Healthcare System holds a 50% ownership interest in WBMC, which is accounted for under the equity method. WBMC operates a full-service hospital and numerous physician clinics. The Healthcare System's net gain on this investment, totaling \$2,687,131 in 2018 and \$2,361,191 in 2017, is included in other income.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 7: Investment in Washoe Barton Medical Clinic (Continued)

Following is a summary of the financial position and results of operations of investments accounted for under the equity method, as of and for the year ended December 31:

	2018 (Unaudited)	2017
Current assets	\$ 28,069,075	\$ 24,416,634
Noncurrent assets	41,406,138	39,811,692
<b>Total assets</b>	<b>\$ 69,475,213</b>	<b>\$ 64,228,326</b>
Current liabilities	\$ 4,765,397	\$ 4,410,061
Noncurrent liabilities	7,622,258	8,104,928
Net assets	57,087,558	51,713,337
<b>Total liabilities and net assets</b>	<b>\$ 69,475,213</b>	<b>\$ 64,228,326</b>
Revenues	\$ 58,722,736	\$ 53,955,969
Expenses	(54,743,506)	(51,255,778)
Operating income	3,979,230	2,700,191
Other income and changes in net assets	247,041	301,179
<b>Change in net assets</b>	<b>\$ 4,226,271</b>	<b>\$ 3,001,370</b>

In addition, the Healthcare System provides certain support services to WBMC, including information technology, purchasing, pathology tests, and billing services. During the years ended December 31, 2018 and 2017, WBMC paid the Healthcare System approximately \$1,099,480 and \$1,765,291, respectively, for these services. As of December 31, 2018 and 2017, the Healthcare System had receivables from WBMC of \$85,501 and \$222,892, respectively, for these services.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 8: Long-Term Debt

Long-term debt consisted of the following at December 31:

	2018	2017
2.89% note payable to finance company, due in monthly installments of \$123,355 including interest to June 2029, collateralized by certain real property (effective interest rate of 3.03%).	\$ 13,392,155	\$ 14,468,455
1.57% note payable to finance company, due in monthly installments of \$251,561 including interest to November 2022, collateralized by certain real property (effective interest rate of 1.80%).	11,460,246	14,275,245
1.92% note payable to finance company, due in monthly installments of \$65,335 including interest to June 2019, collateralized by certain real property (effective interest rate of 2.57%).	389,828	1,158,280
7.21% note payable to finance company, due in monthly installments of \$11,838 including interest to September 2021, collateralized by certain real property.	343,589	456,510
Totals	25,585,818	30,358,490
Less:		
Current maturities	4,478,249	4,772,672
Unamortized debt issuance costs	308,497	372,682
Long-term portion	\$ 20,799,072	\$ 25,213,136

Scheduled payments of principal on long-term debt, including current maturities, at December 31, 2018, are summarized as follows:

2019	\$ 4,478,249	
2020	4,175,175	
2021	4,216,387	
2022	3,953,620	
2023	1,243,407	
Thereafter	7,518,980	
Total long-term debt	\$ 25,585,818	

Under the terms of the notes payable, the Healthcare System is required to satisfy certain measures of financial performance and has limitations on the incurrence of additional borrowings.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 9: Leases

The Healthcare System leases various equipment and facilities under noncancelable long-term lease agreements. These leases have been recorded as operating leases. Total lease expense was \$1,581,387 in 2018 and \$2,369,935 in 2017.

Future minimum lease payments, by year and in the aggregate, under noncancelable lease agreements at December 31, 2018, are as follows:

2019	\$	539,422
2020		469,931
2021		460,304
2022		460,304
2023		230,152
<hr/>		
Total minimum lease payments	\$	<u>2,160,113</u>

### Note 10: Net Assets Without Donor Restrictions

The Healthcare System's governing board has designated net assets without donor restrictions for capital improvements and other for \$79,511,289 and \$85,654,344 as of December 31, 2018 and 2017, respectively.

### Note 11: Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2018	2017
<hr/>		
Subject to expenditure for specific purpose:		
Wellness center	\$ 14,670	\$ 11,016,950
Events	169,761	302,660
Area of greatest need	215,398	266,979
Community Care Clinic	186,392	192,726
Hospice	130,125	157,027
Oncology	64,963	210,505
Equipment	89,580	124,736
Other	368,202	71,252
Subject to the Healthcare System's spending policy and appropriation - Investments to be held in perpetuity, the income from which is expendable to support various health care services	3,820,534	3,738,620
<hr/>		
Total net assets with donor restrictions	\$ 5,059,625	\$ 16,081,455
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# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 11: Net Assets With Donor Restrictions** (Continued)

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$11,313,045 in 2018 and \$295,952 in 2017. These amounts are included in net assets released from restrictions in the accompanying consolidated statements of changes in net assets.

### **Note 12: Endowment Funds**

The Healthcare System's endowment (the "Endowment") consists of funds established by donors to provide annual funding for specific activities and general operations. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Healthcare System is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Board of Trustees appropriates such amounts for expenditure and any other purpose restrictions have been met. The Board of Trustees of the Healthcare System has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Healthcare System considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Healthcare System has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In addition, in accordance with SPMIFA, the Healthcare System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Healthcare System and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effects of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Healthcare System
- (7) The investment policies of the Healthcare System

The Healthcare System had donor-restricted endowments of \$3,820,534 and \$3,738,620 at December 31, 2018 and 2017, respectively.



# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 12: Endowment Funds (Continued)

#### Investment and Spending Policies

The Healthcare System has adopted investment and spending policies for the Endowment that attempt to preserve and enhance the purchasing power of the Healthcare System's assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, provide the necessary capital to fund the spending policy, and cover the costs of managing the Endowment investments. To satisfy this objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Changes in endowment net assets for the years ended December 31, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balances as of December 31, 2016	\$ -	\$ 3,653,815	\$ 3,653,815
Investment income	120,793	-	120,793
Restricted contributions	-	84,805	84,805
Board appropriated	(120,793)	-	(120,793)
Balances as of December 31, 2017	-	3,738,620	3,738,620
Investment income	152,556	-	152,556
Restricted contributions	-	81,914	81,914
Board appropriated	(152,556)	-	(152,556)
Balances as of December 31, 2018	\$ -	\$ 3,820,534	\$ 3,820,534

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 13: Patient Service Revenue

Patient service revenue consisted of the following for the years ended December 31:

	2018	2017
Gross patient service revenue:		
Hospital	\$ 435,643,003	\$ 396,428,523
Clinics	50,423,694	49,298,641
Skilled nursing facility	10,341,105	9,783,121
Total gross patient service revenue	496,407,802	455,510,285
Less - Contractual allowances, discounts, and implicit price concessions	315,488,765	295,431,157
Patient service revenue	\$ 180,919,037	\$ 160,079,128

Patient service revenue consisted of the following for the years ended December 31:

	2018	2017
Third-party payors	\$ 168,358,028	\$ 151,301,124
Self-pay	12,561,009	8,778,004
Patient service revenue	\$ 180,919,037	\$ 160,079,128

The following table reflects the approximate portion of gross patient service revenue by payor for the years ended December 31:

	2018	2017
Commercial payors	41.7 %	42.0 %
Medicare	31.2 %	30.8 %
Medi-Cal	23.9 %	24.4 %
Self-pay	3.2 %	2.8 %
Totals	100 %	100 %

The Healthcare System's practice is to assign a patient to the primary payor and not reflect other secondary insurance or patient responsibility balances, such as copays and deductibles, as self-pay. Therefore, the payors listed above contain patient responsibility components.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### Note 14: Charity Care

Consistent with the mission of the Healthcare System, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or who are underinsured. Patients who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care without charge or at a reduced rate, as determined by qualifying criteria defined in the Healthcare System's charity care policy and from applications completed by patients and their families.

The estimated cost of providing care to patients under the Healthcare System's charity care policy was approximately \$1,212,000 in 2018 and \$1,325,000 in 2017.

### Note 15: Retirement Plan

The Healthcare System has a 403(b) tax deferred compensation plan covering substantially all employees. Under this plan, eligible participating employees may elect to contribute a percentage, up to the IRS limits, of their annual gross wage to a trust to be invested in flexible premium deferred annuity contracts issued by Lincoln National Life Insurance Company. The Healthcare System matches up to 5% of eligible employee contributions with vested contributions after one year of service. The Healthcare System's contributions to the plan totaled \$2,073,690 in 2018 and \$2,089,114 in 2017.

### Note 16: Related-Party Transactions

Two members of the Healthcare System's Board of Directors are orthopedic surgeons and shareholders of Lake Tahoe Orthopedic Institute (LTOI) and Tahoe Orthopedic Sports Medicine, Inc. (TOSM), which contract with the Healthcare System for physician services. Amounts paid to LTOI and TOSM totaled \$6,576,160 during 2018 and \$5,711,371 during 2017. These amounts are included within medical fees expense on the consolidated statements of operations. One of these surgeons was also paid \$120,000 during 2018 and \$136,475 during 2017 as a medical director for the Healthcare System's fellowship program.

One member of the Healthcare System's Board of Directors is a shareholder of Tahoe Carson Valley Medical Group, Inc. (TCVMG), which contracts with the Healthcare System for physician services. Amounts paid to TCVMG during 2018 and recorded within medical fees expense totaled \$14,716,248. Another member of the Healthcare System's Board of Directors is a shareholder of South Tahoe Anesthesia which contracts with the Healthcare System for physician services. Amounts paid to South Tahoe Anesthesia totaled \$1,466,333 and \$1,290,600 in 2018 and 2017, respectively. These amounts are included within medical fees expense on the consolidated statements of operations. A member of the Board was also paid wages of \$89,414 during 2018 and \$91,779 during 2017 as a medical director.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 17: Contingencies**

#### **Malpractice Insurance**

The Healthcare System has malpractice insurance coverage to provide protection in cooperation with certain hospitals in California through the California Hospital Insurance Company, Inc. for professional liability losses on a claims-made basis subject to a limit of \$5 million per claim and an annual aggregate limit of \$15 million with a \$25,000 deductible per claim. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently would be uninsured. Management's estimate of the Healthcare System's liability for expected losses from reported and unreported incidents is based on information obtained from the Healthcare System's actuary and claims managers. The liability is discounted to present value at an assumed discount rate of 4% at December 31, 2018 and 2017, and is shown as a long-term liability.

#### **Workers' Compensation Claims**

The Healthcare System is insured for workers' compensation claims with a self-insured retention of \$250,000 per claim for claims during 2017. Effective January 1, 2018, the Healthcare System converted to a guaranteed cost program where there are no longer any out of pocket costs for claims. An actuarial estimate of losses from reported and unreported incidents for claims through 2017 has been used by management to record a liability and receivable. The claims reserve of \$4,025,428 and \$4,850,000 as of December 31, 2018 and 2017, respectively, is recorded under claims reserves, less current portion on the consolidated balance sheets. Related insurance receivables are recorded under other assets. The estimate is subject to a significant degree of inherent variability. The Healthcare System has one standby letter of credit of \$900,000 as of December 31, 2018, securing workers' compensation claims. No amounts were drawn against the letter of credit as of December 31, 2018.

#### **Employee Health Benefits Claims**

The Healthcare System is insured for employee health claims with a self-insured retention of \$175,000 per insured individual per year. The accrual for these costs includes the unpaid portion of claims that have been reported and estimates of amounts incurred for claims that have been incurred but not reported. An actuarial estimate of losses from reported and unreported incidents has been used by management to record the liability. The claims reserve of \$2,601,368 and \$2,250,428 as of December 31, 2018 and 2017, respectively, is recorded as current portion of claims reserves on the consolidated balance sheets. Related reinsurance receivables are recorded within other assets.

# Barton Healthcare System

## Notes to Consolidated Financial Statements

### Note 17: Contingencies (Continued)

#### Litigation, Claims, and Disputes

The Healthcare System is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Healthcare System.

The California Hospital Facilities Safety Act (SB 1953) specifies certain requirements that must be met at various dates in order to increase the probability that the Healthcare System could maintain uninterrupted operations following major earthquakes. By January 1, 2030, all general acute care inpatient buildings must be operational after an earthquake. The Healthcare System believes it is currently in compliance with the 2030 requirements.

### Note 18: Functional Expenses

The Healthcare System provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows for the year ended December 31, 2018:

	Hospital	Clinics	Skilled Nursing Facility	Foundation	Administrative and General	Total
Salaries and wages	\$ 30,524,558	\$ 14,028,722	\$ 3,223,252	\$ 385,960	\$ 18,776,030	\$ 66,938,522
Employee benefits	8,943,015	4,580,311	879,438	127,011	5,210,806	19,740,581
Medical fees	4,610,081	21,012,190	25,601	-	273,199	25,921,071
Supplies	15,977,689	2,989,866	226,362	15,193	610,683	19,819,793
Purchased services and other	7,790,578	5,437,197	324,236	223,536	13,834,259	27,609,806
Depreciation	6,027,659	3,348,500	-	-	83,592	9,459,751
Bad debts	425,127	1,379,177	10,217	-	-	1,814,521
Interest	311,885	162,899	-	-	-	474,784
<b>Totals</b>	<b>\$ 74,610,592</b>	<b>\$ 52,938,862</b>	<b>\$ 4,689,106</b>	<b>\$ 751,700</b>	<b>\$ 38,788,569</b>	<b>\$ 171,778,829</b>

# Barton Healthcare System

## Notes to Consolidated Financial Statements

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### **Note 19: Concentration of Credit Risk**

The Healthcare System grants credit without collateral to its patients, most of whom are insured under third-party payor agreements.

The mix of receivables from third-party payors and patients was as follows at December 31:

	2018	2017
Commercial payors	49 %	56 %
Medicare	24 %	22 %
Medi-Cal	16 %	16 %
Self-pay and other	11 %	6 %
Totals	100 %	100 %

The Healthcare System maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are insured by the FDIC up to \$250,000. At December 31, 2018, the Healthcare System exceeded the insured limits by approximately \$33,382,000. In addition, other investments held by financial institutions and investment companies are uninsured.

### **Note 20: Reclassification**

Certain reclassifications have been made to the 2017 consolidated financial statements to conform to the 2018 classifications.

# TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM 199

FOR THE YEAR ENDING

December 31, 2018

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**Prepared For:**

Barton Healthcare System  
Po Box 9578  
South Lake Tahoe, CA 96158

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**Prepared By:**

Wipfli LLP  
PO Box 12237  
Green Bay, WI 54307-2237

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**To be Signed and Dated By:**

Not applicable

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**Amount of Tax:**

Total tax	\$	10
Less: payments and credits	\$	0
Plus: other amount	\$	0
Plus: interest and penalties	\$	0
Balance due	\$	10

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**Overpayment:**

Credited to your estimated tax	\$	0
Other amount	\$	0
Refunded to you	\$	0

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**Make Check Payable To:**

Franchise Tax Board

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**Mail Tax Return and Check (if applicable) To:**

This return has qualified for electronic filing. After you have reviewed your return for completeness and accuracy, please sign, date and return Form 8453-EO to our office. We will then transmit your return electronically to the FTB. Do not mail the paper copy of the return to the FTB.

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**Return Must be Mailed On or Before:**

Not applicable

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**Special Instructions:**

Your payment should be made as instructed below on or before November 15, 2019.

Separately mail California Form FTB 3586 with a check or money order for \$10, payable to Franchise Tax Board.

Mail to:

Franchise Tax Board  
PO BOX 942857  
Sacramento CA 94257-0531

We recommend that returns be mailed certified mail, return receipt requested with the stamp validated at a postal station in order to have proof of timely mailing.

One copy must also be signed, title inserted, dated and forwarded to the Attorney General, P.O. Box 7857, Madison, WI 53707-7857.

We are also enclosing two copies of Form 1952 - Wisconsin Supplement to Financial Report. One copy must be signed by two officers of the Organization, titles inserted, and dated. Mail to the Department of Corporate and Consumer Services, Division of Banking, P.O. Box 7879, Madison, WI 53707-7879, on or before the due date.

We are also enclosing two copies of the Minnesota Charitable Organization Annual Report. One copy must be signed by two officers of the organization, titles inserted and dated. There is a \$25 registration fee with the filing of this return. Please make your check payable to "State of Minnesota" and mail with the return to: Charities Unit, Suite 1200, Bremer Tower, 445 Minnesota Street, St. Paul, MN 55101-2130 on or before the due date.

The second copy enclosed stamped "client copy" is to be retained for your records.

We are also enclosing two copies of Form 4T - Wisconsin Exempt Organization Business Franchise or Income Tax Return. One copy must be signed by an officer of the Organization, title inserted, dated and forwarded to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908, on or before the due date.

We are also enclosing two copies of Form 308 - Wisconsin Charitable Organization Annual Report. One copy must be signed by two officers of the Organization, titles inserted, and dated. Mail to the Department of Corporate and Consumer Services, P.O. Box 7879, Madison, WI 53707-7879, on or before the due date.

We are also enclosing two copies of Form 1943 - Wisconsin Affidavit in Lieu of Annual Financial Report. One copy must be signed by two officers of the Organization, titles inserted, and dated. Mail to the Department of Financial Institutions, Division of Banking, P.O. Box 7876, Madison, WI 53707-7876, on or before the due date.

One copy must also be signed, title inserted, dated and forwarded to The Honorable Tim Fox, Attorney General for the State of Montana, Department of Justice, PO Box 201401, Helena, MT 59620.



# California Exempt Organization Annual Information Return

Calendar Year 2018 or fiscal year beginning (mm/dd/yyyy) \_\_\_\_\_, and ending (mm/dd/yyyy) \_\_\_\_\_

Corporation/Organization name: **BARTON HEALTHCARE SYSTEM**

California corporation number: **0396937**

FEIN: **94-6050274**

Street address (suite or room): **PO BOX 9578**

City: **SOUTH LAKE TAHOE** State: **CA** ZIP code: **96158**

Foreign country name: \_\_\_\_\_ Foreign province/state/county: \_\_\_\_\_ Foreign postal code: \_\_\_\_\_

**A** First Return  Yes  No

**B** Amended Return  Yes  No

**C** IRC Section 4947(a)(1) trust  Yes  No

**D** Final Information Return?  
 Dissolved  Surrendered (Withdrawn)  Merged/Reorganized  
 Enter date: (mm/dd/yyyy) \_\_\_\_\_

**E** Check accounting method: (1)  Cash (2)  Accrual (3)  Other

**F** Federal return filed? (1)  990T (2)  990PF (3)  Sch H (990) (4)  Other 990 series

**G** Is this a group filing? See instructions  Yes  No

**H** Is this organization in a group exemption  Yes  No  
If "Yes," what is the parent's name? \_\_\_\_\_

**I** Did the organization have any changes to its guidelines not reported to the FTB? See instructions  Yes  No

**J** If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions.  Yes  No

**K** Is the organization exempt under R&TC Section 23701g?  Yes  No  
If "Yes," enter the gross receipts from nonmember sources \$ \_\_\_\_\_

**L** If organization is a public charity exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required

**M** Is the organization a Limited Liability Company?  Yes  No

**N** Did the organization file Form 100 or Form 109 to report taxable income?  Yes  No

**O** Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No

**P** Is federal Form 1023/1024 pending?  Yes  No  
Date filed with IRS \_\_\_\_\_

**Part I Complete Part I unless not required to file this form. See General Information B and C.**

<b>Receipts and Revenues</b>	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	199,108,425	00
	2	Gross dues and assessments from members and affiliates	2		00
	3	Gross contributions, gifts, grants, and similar amounts received <b>STMT 1</b>	3	5,287,377	00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Information B	4	204,395,802	00
	5	Cost of goods sold	5	97,122	00
	6	Cost or other basis, and sales expenses of assets sold	6	9,725,135	00
	7	Total costs. Add line 5 and line 6	7	9,822,257	00
	8	Total gross income. Subtract line 7 from line 4	8	194,573,545	00
<b>Expenses</b>	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	171,704,197	00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	22,869,348	00
<b>Filing Fee</b>	11	Total payments	11		00
	12	Use tax. See General Information K	12		00
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11	13		00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14		00
	15	Filing fee \$10 or \$25. See General Information F	15		10
	16	Penalties and Interest. See General Information J	16		00
	17	<b>Balance due.</b> Add line 12, line 15, and line 16. Then subtract line 11 from the result	17		10

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 taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: \_\_\_\_\_ Title: **CFO** Date: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature: **TERRI REXRODE CPA, MST** Date: **09/06/19** Check if self-employed:  PTIN: **P00096513**

Firm's name (or yours, if self-employed) and address: **WIPFLI LLP** Telephone: **39-0758449**  
**PO BOX 12237**  
**GREEN BAY, WI 54307-2237** Telephone: **920.662.0016**

May the FTB discuss this return with the preparer shown above? See instructions  Yes  No

**Part II** Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

828951 12-12-18

<b>Receipts from Other Sources</b>	1	Gross sales or receipts from all business activities. See instructions	•	1	537,351	00
	2	Interest	•	2	2,233,098	00
	3	Dividends	•	3		00
	4	Gross rents	•	4	146,026	00
	5	Gross royalties	•	5		00
	6	Gross amount received from sale of assets (See Instructions)	•	6	10,386,918	00
	7	Other income	•	7	185,805,032	00
	8	<b>Total</b> gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	199,108,425	00
	9	Contributions, gifts, grants, and similar amounts paid	•	9	659,999	00
	10	Disbursements to or for members	•	10		00
	11	Compensation of officers, directors, and trustees	•	11	1,997,254	00
	12	Other salaries and wages	•	12	64,891,989	00
	13	Interest	•	13	410,599	00
	14	Taxes	•	14	4,636,635	00
	15	Rents	•	15	3,260,380	00
	16	Depreciation and depletion (See instructions)	•	16	9,523,936	00
	17	Other Expenses and Disbursements	•	17	86,323,405	00
	18	<b>Total</b> expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	171,704,197	00

Schedule L Balance Sheet	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		25,185,206		• 30,096,225
2 Net accounts receivable		26,192,625		• 26,812,887
3 Net notes receivable <b>STMT 6</b>				• 128,100
4 Inventories		2,651,283		• 2,719,435
5 Federal and state government obligations				•
6 Investments in other bonds				•
7 Investments in stock				•
8 Mortgage loans				•
9 Other investments <b>STMT 7</b>		105,726,071		• 102,166,012
10 a Depreciable assets	171,863,346		189,850,215	
b Less accumulated depreciation	( 89,791,304 )	82,072,042	( 94,039,745 )	95,810,470
11 Land		13,912,598		• 15,657,853
12 Other assets <b>STMT 8</b>		14,617,395		• 10,508,584
13 <b>Total assets</b>		270,357,220		283,899,566
<b>Liabilities and net worth</b>				
14 Accounts payable		12,643,694		• 15,246,671
15 Contributions, gifts, or grants payable				•
16 Bonds and notes payable <b>STMT 9</b>		29,529,299		• 24,933,632
17 Mortgages payable		456,509		• 343,689
18 Other liabilities <b>STMT 10</b>		10,472,899		10,535,669
19 Capital stock or principal fund				•
20 Paid-in or capital surplus. Attach reconciliation				•
21 Retained earnings or income fund		217,254,819		• 232,839,905
22 <b>Total liabilities and net worth</b>		270,357,220		283,899,566

Schedule M-1 Reconciliation of income per books with income per return			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.			
1 Net income per books	• 22,869,348	7 Income recorded on books this year not included in this return	•
2 Federal income tax	•	8 Deductions in this return not charged against book income this year	•
3 Excess of capital losses over capital gains	•	9 Total. Add line 7 and line 8	
4 Income not recorded on books this year	•	10 Net income per return.	
5 Expenses recorded on books this year not deducted in this return	•	Subtract line 9 from line 6	22,869,348
6 Total. Add line 1 through line 5	22,869,348		

CA 199

CASH CONTRIBUTIONS  
INCLUDED ON PART I, LINE 3

STATEMENT 1

CONTRIBUTOR'S NAME	CONTRIBUTOR'S ADDRESS	DATE OF GIFT	AMOUNT
BARTON MEMORIAL HOSPITAL FOUNDATION	2092 LAKE TAHOE BLVD STE 600 S LAKE TAHOE, CA 96150		5,056,000.
SMITH & NEPHEW INC	150 MINUTEMAN ROAD ANDOVER, MA 01810		12,750.
HEALTH RESOURCES & SERVICES ADMINISTRATION	5600 FISHERS LANE ROCKVILLE, MD 20587		200,000.
TOTAL INCLUDED ON LINE 3			5,268,750.

CA 199

## OTHER INCOME

STATEMENT 2

DESCRIPTION	AMOUNT
NET PATIENT SERVICE REVENUE	180,919,037.
INVESTMENT IN WASHOE BARTON MEDICAL SUPPORTING REVENUE	2,687,131.
CAFETERIA	1,670,817.
	528,047.
TOTAL TO FORM 199, PART II, LINE 7	185,805,032.

CA 199

CASH CONTRIBUTIONS, GIFTS, GRANTS  
AND SIMILAR AMOUNTS PAID

STATEMENT 3

## ACTIVITY CLASSIFICATION: GENERAL DONATIONS

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
A BALANCED LIFE	2100 ELOISE AVE - SOUTH LAKE TAHOE, CA 96150	NONE	9,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
LAKE TAHOE UNIFIED SCHOOL DISTRICT	1021 AL TAHOE BLVD - SOUTH LAKE TAHOE, CA 96150	NONE	12,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
LIVE VIOLENCE FREE	2941 LAKE TAHOE BLVD - SOUTH LAKE TAHOE, CA 96150	NONE	6,500.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
SOS OUTREACH	PO BOX 2020 - SOUTH LAKE TAHOE, CA 96150	NONE	5,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
TAHOE RUND	PO BOX 7124 - TAHOE CITY, CA 96145	NONE	10,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
TAHOE PROSPERITY CENTER	948 INCLINE WAY - INCLINE VILLAGE, NV 89451	NONE	6,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
TAHOE YOUTH & FAMILY SERVICES	1021 FREMONT AVENUE - SOUTH LAKE TAHOE, CA 96150	NONE	8,000.

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
BARTON MEMORIAL HOSPITAL FOUNDATION, INC	2092 LAKE TAHOE BLVD, STE 600 - SOUTH LAKE TAHOE, CA 96150	NONE	566,922.

TOTAL FOR THIS ACTIVITY 623,422.

ACTIVITY CLASSIFICATION: PATIENT ASSISTANCE

<u>DONEES NAME</u>	<u>DONEES ADDRESS</u>	<u>RELATIONSHIP</u>	<u>AMOUNT</u>
VARIOUS PATIENTS	PO BOX 9578 - SOUTH LAKE TAHOE, CA 96158	NONE	36,577.

TOTAL FOR THIS ACTIVITY 36,577.

TOTAL INCLUDED ON FORM 199, PART II, LINE 9 659,999.

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CA 199                    COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES                    STATEMENT 4

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NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
PAT BAGHIDIKIAN, MD PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE, MEDICAL DIRECTOR 25.00	100,789.
MIKE BRADFORD PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE 5.00	8,126.
ABBY KILLEBREW PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	SECRETARY/TREASURER 5.00	8,990.
KIRK LEDBETTER PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	CHAIRMAN 5.00	7,318.
TERRY ORR, MD PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE 5.00	7,858.
JEFF RAHBECK PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE 5.00	0.
CHUCK SCHARER PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	VICE CHAIRMAN 5.00	12,939.
STEFAN SCHUNK, MD PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE 5.00	0.
DENA SCHWARTE PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE 5.00	0.
KEITH SWANSON, MD PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE, MEDICAL DIRECTOR 20.00	128,048.
JOHN CEFALU PO BOX 9578 SOUTH LAKE TAHOE, CA 96158	TRUSTEE - TERMED 5.00	8,126.

BARTON HEALTHCARE SYSTEM

94-6050274

MALIN KENNEDY  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

TRUSTEE  
5.00

0.

CLINTON PURVANCE, MD  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

CEO  
39.50

552,445.

KELLY NEIGER  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

CFO  
39.50

190,300.

RICHARD DERBY  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

CFO - TERMED  
39.50

430,354.

PRESTON BECKER  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

COO  
40.00

316,761.

LANCE ORR, MD  
PO BOX 9578  
SOUTH LAKE TAHOE, CA 96158

MEDICAL DIRECTOR  
40.00

225,200.

TOTAL TO FORM 199, PART II, LINE 11

1,997,254.

CA 199

OTHER EXPENSES

STATEMENT 5

DESCRIPTION

AMOUNT

PENSION PLAN CONTRIBUTIONS  
OTHER EMPLOYEE BENEFITS  
LEGAL FEES  
ACCOUNTING FEES  
INVESTMENT MANAGEMENT FEES  
OTHER PROFESSIONAL FEES  
ADVERTISING AND PROMOTION  
OFFICE EXPENSES  
INFORMATION TECHNOLOGY  
TRAVEL  
INSURANCE  
MEDICAL SUPPLIES  
BAD DEBT EXPENSE  
ALL OTHER EXPENSES

1,988,955.  
12,587,287.  
137,107.  
1,150,509.  
225,293.  
35,234,353.  
389,541.  
7,603,229.  
4,118,958.  
353,062.  
1,198,354.  
17,573,863.  
1,814,521.  
1,948,373.

TOTAL TO FORM 199, PART II, LINE 17

86,323,405.

CA 199	NET NOTES RECEIVABLE	STATEMENT 6
DESCRIPTION	BEG. OF YEAR	END OF YEAR
NOTES AND LOANS RECEIVABLE, NET	0.	128,100.
TOTAL TO FORM 199, SCHEDULE L, LINE 3	0.	128,100.

CA 199	OTHER INVESTMENTS	STATEMENT 7
DESCRIPTION	BEG. OF YEAR	END OF YEAR
CHIC STOCK	98,901.	98,901.
INVESTMENT IN WASHOE BARTON MEDICAL CLINIC	25,856,668.	28,543,799.
INVESTMENTS - OTHER SECURITIES	60,216,922.	12,837,913.
INVESTMENTS - PUBLICLY TRADED	19,553,580.	60,685,399.
TOTAL TO FORM 199, SCHEDULE L, LINE 9	105,726,071.	102,166,012.

CA 199	OTHER ASSETS	STATEMENT 8
DESCRIPTION	BEG. OF YEAR	END OF YEAR
PREPAID EXPENSES	3,277,882.	2,407,450.
THIRD PARTY RECEIVABLES	10,801,862.	7,346,342.
DEPOSITS	537,651.	754,792.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	14,617,395.	10,508,584.

CA 199	BONDS AND NOTES PAYABLE	STATEMENT 9
DESCRIPTION	BEG. OF YEAR	END OF YEAR
TAX-EXEMPT BONDS LIABILITIES	29,529,299.	24,933,632.
TOTAL TO FORM 199, SCHEDULE L, LINE 16	29,529,299.	24,933,632.



CA 199

OTHER LIABILITIES

STATEMENT 10

<u>DESCRIPTION</u>	<u>BEG. OF YEAR</u>	<u>END OF YEAR</u>
THIRD PARTY PAYORS	632,483.	1,474,326.
CLAIMS RESERVE	9,640,416.	8,861,343.
OTHER LONG TERM OBLIGATIONS	200,000.	200,000.
TOTAL TO FORM 199, SCHEDULE L, LINE 18	<u>10,472,899.</u>	<u>10,535,669.</u>

**Voucher at bottom of page.**

**DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.**  
If the amount of payment is zero, do not mail this voucher.

**WHERE TO FILE:** Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number, FEIN, CA SOS file number and "2018 FTB 3586" on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:  
**FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0531**  
Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

**WHEN TO FILE:**  
**Corporations - File and Pay by the 15th day of the 4th month following the close of the taxable year.**  
**S corporations - File and Pay by the 15th day of the 3rd month following the close of the taxable year.**  
**Exempt organizations - File and Pay by the 15th day of the 5th month following the close of the taxable year.**  
When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

**ONLINE SERVICES:** Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information.

839035 12-12-18

--- DETACH HERE --- IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER --- DETACH HERE ---

**CAUTION:** You may be required to pay electronically, see instructions.

TAXABLE YEAR **2018** **Payment Voucher for Corporations and Exempt Organizations e-filed Returns**

CALIFORNIA FORM  
**3586 (e-file)**

0396937          BART    94-6050274          000000000000          18          FORM    3  
TYB    01-01-2018          TYE    12-31-2018  
BARTON HEALTHCARE SYSTEM

PO BOX 9578  
SOUTH LAKE TAHOE          CA    96158

(530) 541-3420

Amount of Payment          10.

TAXABLE YEAR

2018

# California e-file Return Authorization for Exempt Organizations

FORM  
8453-EO

Exempt Organization name

Identifying number

**BARTON HEALTHCARE SYSTEM**

**94-6050274**

**Part I Electronic Return Information** (whole dollars only)

1	Total gross receipts (Form 199, line 4)	1	204,395,802
2	Total gross income (Form 199, line 8)	2	194,573,545
3	Total expenses and disbursements (Form 199, line 9)	3	171,704,197

**Part II Settle Your Account Electronically for Taxable Year 2018**

4  Electronic funds withdrawal      4a Amount      4b Withdrawal date (mm/dd/yyyy)

**Part III Banking Information** (Have you verified the exempt organization's banking information?)

5 Routing number \_\_\_\_\_

6 Account number \_\_\_\_\_      7 Type of account:  Checking  Savings

**Part IV Declaration of Officer**

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, Box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2018 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider the reason(s) for the delay.**

**Sign Here**



Signature of officer \_\_\_\_\_ Date \_\_\_\_\_



**CFO** \_\_\_\_\_ Title \_\_\_\_\_

**Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer.**

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2018 Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

<b>ERO</b>	ERO's signature	Date	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN <b>P00096513</b>
<b>Must Sign</b>	Firm's name (or yours if self-employed) and address	<b>WIPFLI LLP PO BOX 12237 GREEN BAY, WI</b>			FEIN <b>39-0758449</b> ZIP code <b>54307-2237</b>

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

<b>Paid Preparer</b>	Paid preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN
<b>Must Sign</b>	Firm's name (or yours if self-employed) and address	FEIN _____ ZIP code _____		