

PUBLIC DISCLOSURE COPY

Form **990**

Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

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

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

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

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> NAVOS Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite PO BOX 46420 City or town, state or province, country, and ZIP or foreign postal code SEATTLE, WA 98146-0420 <b>F Name and address of principal officer:</b> DAVID JOHNSON SAME AS C ABOVE	<b>D Employer identification number</b> 91-0848698 <b>E Telephone number</b> 206-933-7189 <b>G Gross receipts \$</b> 66,343,085. <b>H(a) Is this a group return</b> for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all subordinates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b> ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ WWW.NAVOS.ORG		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> 1963 <b>M State of legal domicile:</b> WA

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <u>SEE SCHEDULE O</u>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	11
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	11
<b>5</b>	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	<b>5</b>	812
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	81
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0.
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0.
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>8</b>	11
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>9</b>	11
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>10</b>	812
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>11</b>	81
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>12</b>	0.
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>13</b>	0.
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>14</b>	0.
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>15</b>	0.
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>16a</b>	0.
<b>16b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ 400,029.	<b>16b</b>	0.
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>17</b>	0.
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>18</b>	0.
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>19</b>	0.
<b>20</b>	Total assets (Part X, line 16)	<b>20</b>	0.
<b>21</b>	Total liabilities (Part X, line 26)	<b>21</b>	0.
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>22</b>	0.

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer CASSIE UNDLIN, CHIEF OPERATIONS OFFICER Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name ROBERT GRANNUM Preparer's signature ROBERT GRANNUM Date 11/15/17 Check if self-employed <input type="checkbox"/> PTIN P00355876 Firm's name ▶ MOSS ADAMS LLP Firm's EIN ▶ 91-0189318 Firm's address ▶ 2707 COLBY AVENUE, SUITE 801 EVERETT, WA 98201 Phone no. 425-259-7227	

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

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

**IMPROVING THE QUALITY OF LIFE OF PEOPLE VULNERABLE TO MENTAL ILLNESS  
BY PROVIDING A BROAD CONTINUUM OF CARE.**

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

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

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

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 16,453,612. including grants of \$ ) (Revenue \$ 19,579,267.)

**INPATIENT SERVICES - THE 24HOUR, 7DAYPERWEEK FACILITY, LOCATED ON  
NAVOS' WEST SEATTLE CAMPUS, CARES FOR PERSONS LIVING WITH MENTAL  
ILLNESS WHO ARE EXPERIENCING AN ACUTE PSYCHIATRIC CRISIS REQUIRING  
STABILIZATION. THE INPATIENT PROGRAM IS LICENSED FOR 70 BEDS. THIRTY OF  
THESE BEDS ARE OPERATED AS AN EVALUATION AND TREATMENT UNIT UNDER A  
CONTRACT WITH KING COUNTY. NAVOS PRIMARILY SERVES THOSE WHO ARE  
INVOLUNTARILY COMMITTED BECAUSE THEY ARE DEEMED TO BE IN IMMINENT  
DANGER OF HARM TO THEMSELVES OR OTHERS. A STRUCTURED ENVIRONMENT OF  
INDIVIDUAL PATIENT EVALUATION, TREATMENT, AND DISCHARGE PLANNING TAKES  
PLACE WITH EVERY PATIENT. ALONG WITH PSYCHIATRIC AND STABILIZATION  
SERVICES, NAVOS PROVIDES INPATIENT ADJUNCTIVE THERAPIES, INCLUDING  
THERAPEUTIC GROUPS, RECREATION AND ACTIVITIES, ART THERAPY,**

**4b** (Code: ) (Expenses \$ 14,362,157. including grants of \$ ) (Revenue \$ 16,401,819.)

**CHILD & FAMILY SERVICES - QUALIFIED MASTER'SLEVEL STAFF WORK WITH  
CHILDREN/TEENS AND THEIR FAMILIES TO HELP OVERCOME SITUATIONS THAT HARM  
OR DISRUPT EMOTIONAL GROWTH (DIVORCE, ABSENT PARENTS, TRAUMA, AND  
ECONOMIC CONCERNS). THERAPISTS ARE TRAINED TO WORK WITH FAMILIES FROM  
DIVERSE CULTURES AND ETHNICITIES. NAVOS OFFERS A RANGE OF THERAPIES  
INCLUDING PLAY THERAPY FOR YOUNGER CHILDREN, INDIVIDUAL AND GROUP  
THERAPY FOR OLDER CHILDREN/TEENS, AND FAMILY THERAPY.**

**NAVOS OPERATES A CONSORTIUM CONSISTING OF 22 SUBCONTRACTORS (MANY YOUTH  
AND FAMILY SERVICES AGENCIES) TO OFFER MEDICAIDFUNDED MENTAL HEALTH  
SERVICES THROUGHOUT KING COUNTY.**

**4c** (Code: ) (Expenses \$ 11,980,835. including grants of \$ ) (Revenue \$ 9,549,992.)

**RESIDENTIAL TREATMENT AND SUPPORTED HOUSING - NAVOS HAS DEVELOPED AND  
OPERATES RESIDENTIAL PROGRAMS FOR CHILDREN, ADULTS, AND OLDER ADULTS  
BECAUSE TREATMENT OF PEOPLE WITH SEVERE AND PERSISTENT MENTAL ILLNESS  
IS INEFFECTIVE WITHOUT SAFE AND SECURE HOUSING. NAVOS OWNS THE  
FACILITIES IN WHICH CERTAIN PROGRAMS ARE OPERATED, LEASES OTHER  
FACILITIES, AND RENTS APARTMENTS FROM COMMERCIAL LANDLORDS WHERE  
APPROPRIATE. COUNTY CONTRACTS PROVIDE THE PRINCIPAL SOURCE OF FUNDING  
FOR NAVOS' RESIDENTIAL PROGRAMS.**

**4d** Other program services (Describe in Schedule O.)(Expenses \$ 13,297,676. including grants of \$ ) (Revenue \$ 18,448,101.)**4e** Total program service expenses **56,094,280.**Form **990** (2016)

**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>	<b>1</b> X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>2</b> 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>	<b>3</b>	X
<b>4</b> <b>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>	<b>4</b> 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>	<b>5</b>	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>	<b>6</b>	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>	<b>7</b>	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>	<b>8</b>	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>	<b>9</b>	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>	<b>10</b>	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>	<b>11a</b> 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>	<b>11b</b>	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>	<b>11c</b>	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>	<b>11d</b>	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>	<b>11e</b> 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>	<b>11f</b> 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>	<b>12a</b>	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>	<b>12b</b> X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<b>13</b>	X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	<b>14a</b>	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>	<b>14b</b>	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>	<b>15</b>	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>	<b>16</b>	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>	<b>17</b> 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>	<b>18</b> 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>	<b>19</b>	X

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

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	<b>20a</b> X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	<b>20b</b> 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> .....	<b>21</b>	X
<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</b> <b>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</b> <b>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	

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**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> 139		
<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	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 812		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>	X	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>		X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>		X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>		
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>		

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

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

☒ X

**Section A. Governing Body and Management**

	1a	1b	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	11			
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>b</b> Enter the number of voting members included in line 1a, above, who are independent		11		
<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		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<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 **NONE**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☒ 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: **BECKY PEVEY - 206-933-7189**  
**2600 SW HOLDEN STREET, SEATTLE, WA 98126**

**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) TOM POWERS PRESIDENT	0.50 0.10	X		X				0.	0.	0.
(2) DON GILLMORE 1ST VICE PRESIDENT	0.50 0.10	X		X				0.	0.	0.
(3) REBECCA DAWN 2ND VICE PRESIDENT	0.50 0.10	X		X				0.	0.	0.
(4) PATTI NEUBERGER TREASURER	0.50 0.10	X		X				0.	0.	0.
(5) CARRIE HOLMES SECRETARY	0.50 0.10	X		X				0.	0.	0.
(6) CHARLES HOFFMAN DIRECTOR	0.50 0.10	X						0.	0.	0.
(7) TOM MITCHELL DIRECTOR	0.50 0.10	X						0.	0.	0.
(8) JANICE JACKSON-HALEY DIRECTOR	0.50 0.10	X						0.	0.	0.
(9) DAVID JOHNSON CEO	40.00 0.10			X				222,482.	0.	9,969.
(10) CASSIE UNDLIN COO	40.00 0.10			X				195,927.	0.	11,692.
(11) MELET WINSTON CMO (1/16)	40.00			X				20,148.	0.	0.
(12) MEGAN KELLY CCO	40.00			X				0.	0.	0.
(13) SHANNON CORBIN OUTPATIENT MEDICAL DIRECTOR	40.00					X		214,905.	0.	12,077.
(14) JEFF KORCZ PSYCHIATRIST	40.00					X		257,942.	0.	14,752.
(15) JEFF SKOLNICK PSYCHIATRIST	40.00					X		252,246.	0.	14,374.
(16) DIANE MCCLEAVE REGISTERED NURSE	40.00					X		174,853.	0.	8,030.
(17) BRIAN COLEMAN PSYCHIATRIST	22.50					X		189,516.	0.	13,404.

00511115 146892 6151820

**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>	198,520.					
	<b>d</b> Related organizations .....	<b>1d</b>						
	<b>e</b> Government grants (contributions) .....	<b>1e</b>						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	1,412,177.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....		54,986.					
	<b>h Total.</b> Add lines 1a-1f .....							1,610,697.
<b>Program Service Revenue</b>	<b>2 a</b> KING COUNTY PHP - NET .....	<b>Business Code</b>	624100	29,650,612.	29,650,612.			
	<b>b</b> KING COUNTY E&T & CARV OUT .....		623990	14,164,697.	14,164,697.			
	<b>c</b> MEDICARE/MEDICAID - NET .....		624100	10,876,755.	10,876,755.			
	<b>d</b> STATE DSH, CTED AND OTHER .....		624100	3,770,312.	3,770,312.			
	<b>e</b> 3RD PARTY INS & SELF PAY .....		624100	1,563,191.	1,563,191.			
	<b>f</b> All other program service revenue .....		624100	3,953,612.	3,953,612.			
	<b>g Total.</b> Add lines 2a-2f .....			63,979,179.				
	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....			248,623.			248,623.	
<b>4</b> Income from investment of tax-exempt bond proceeds .....								
<b>5</b> Royalties .....								
<b>Other Revenue</b>	<b>6 a</b> Gross rents .....	(i) Real	29,585.					
	<b>b</b> Less: rental expenses .....	(ii) Personal	0.					
	<b>c</b> Rental income or (loss) .....		29,585.					
	<b>d</b> Net rental income or (loss) .....							
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities						
	<b>b</b> Less: cost or other basis and sales expenses .....	(ii) Other	475,001.					
	<b>c</b> Gain or (loss) .....		42,945.					
	<b>d</b> Net gain or (loss) .....		432,056.					
	<b>8 a</b> Gross income from fundraising events (not including \$ 198,520. of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>	0.					
	<b>b</b> Less: direct expenses .....	<b>b</b>	62,219.					
	<b>c</b> Net income or (loss) from fundraising events .....			-62,219.			-62,219.	
	<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>						
	<b>b</b> Less: cost of goods sold .....	<b>b</b>						
	<b>c</b> Net income or (loss) from sales of inventory .....							
	<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. ....				66,237,921.	63,979,179.	0.	648,045.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....	460,218.	396,549.	60,028.	3,641.
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....	29,777,962.	25,658,319.	3,884,045.	235,598.
<b>7</b> Other salaries and wages .....				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....	477,074.	411,073.	62,226.	3,775.
<b>9</b> Other employee benefits .....	3,249,205.	2,799,693.	423,805.	25,707.
<b>10</b> Payroll taxes .....	2,795,790.	2,409,005.	364,665.	22,120.
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management .....				
<b>b</b> Legal .....	108,881.	33,568.	75,313.	
<b>c</b> Accounting .....	144,548.		144,548.	
<b>d</b> Lobbying .....	30,000.	9,249.	20,751.	
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	439,261.	135,424.	303,837.	
<b>12</b> Advertising and promotion .....	95,241.	22,715.	65,878.	6,648.
<b>13</b> Office expenses .....	555,180.	299,633.	239,099.	16,448.
<b>14</b> Information technology .....	1,171,937.	659,880.	480,990.	31,067.
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	2,592,963.	2,267,431.	297,982.	27,550.
<b>17</b> Travel .....				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings .....	23,396.	20,159.	3,052.	185.
<b>20</b> Interest .....	1,054,717.	891,779.	162,938.	
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	2,720,251.	2,045,605.	674,646.	
<b>23</b> Insurance .....	522,403.	294,098.	214,784.	13,521.
<b>24</b> 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.)				
<b>a</b> SUBCONTRACT EXPENSE	14,820,781.	14,731,492.	84,492.	4,797.
<b>b</b> PROGRAM EXPENSES	2,372,798.	2,372,798.	0.	0.
<b>c</b> OTHER OPERATING EXPENSE	581,507.	333,813.	242,017.	5,677.
<b>d</b> EMPLOYEE TRAINING & REC	334,501.	288,224.	43,630.	2,647.
<b>e</b> All other expenses	24,463.	13,773.	10,042.	648.
<b>25</b> Total functional expenses. Add lines 1 through 24e	64,353,077.	56,094,280.	7,858,768.	400,029.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	2,631,476.	<b>2</b>	3,883,414.
	<b>3</b> Pledges and grants receivable, net .....	14,171.	<b>3</b>	14,171.
	<b>4</b> Accounts receivable, net .....	8,819,301.	<b>4</b>	8,684,650.
	<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 .....	23,046,791.	<b>7</b>	20,126,291.
	<b>8</b> Inventories for sale or use .....	90,547.	<b>8</b>	108,215.
	<b>9</b> Prepaid expenses and deferred charges .....	593,512.	<b>9</b>	604,506.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 88,407,047.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 20,773,158.		
		66,974,157.	<b>10c</b>	67,633,889.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
<b>15</b> Other assets. See Part IV, line 11 .....	4,306,050.	<b>15</b>	4,186,403.	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	106,476,005.	<b>16</b>	105,241,539.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	6,922,771.	<b>17</b>	8,298,605.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	2,953,511.	<b>19</b>	2,032,060.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<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 .....	58,405,558.	<b>23</b>	54,801,949.
	<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 .....	63,553.	<b>25</b>	68,649.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	68,345,393.	<b>26</b>	65,201,263.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	31,605,786.	<b>27</b>	34,660,316.
	<b>28</b> Temporarily restricted net assets .....	2,301,669.	<b>28</b>	1,132,858.
	<b>29</b> Permanently restricted net assets .....	4,223,157.	<b>29</b>	4,247,102.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>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 .....	38,130,612.	<b>33</b>	40,040,276.
	<b>34</b> Total liabilities and net assets/fund balances .....	106,476,005.	<b>34</b>	105,241,539.

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**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	66,237,921.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	64,353,077.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	1,884,844.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	38,130,612.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	23,933.
<b>6</b>	Donated services and use of facilities	<b>6</b>	887.
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	40,040,276.

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

	Yes	No
<b>1</b> 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.		
<b>2a</b> 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	<b>2a</b>	<b>X</b>
<b>b</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	<b>2b</b>	<b>X</b>
<b>c</b> 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.	<b>2c</b>	<b>X</b>
<b>3a</b> 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? _____	<b>3a</b>	<b>X</b>
<b>b</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 _____	<b>3b</b>	

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**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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 2016 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2015 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2016.</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 - 2015.</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 - 2016.</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 - 2015.</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"/>		

Schedule A (Form 990 or 990-EZ) 2016

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	14140427.	1084257.	809,483.	2462646.	1610697.	20107510.
<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 .....	48270075.	52322480.	57137140.	58495046.	63979179.	280203920
<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 .....	62410502.	53406737.	57946623.	60957692.	65589876.	300311430
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....	16,100.	38,500.	43,166.	465,522.	589,451.	1152739.
<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 .....	13470463.	1584186.	1503381.	1688261.	1672977.	19919268.
<b>c</b> Add lines 7a and 7b .....	13486563.	1622686.	1546547.	2153783.	2262428.	21072007.
<b>8 Public support.</b> (Subtract line 7c from line 6.) .....						279239423

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>9</b> Amounts from line 6 .....	62410502.	53406737.	57946623.	60957692.	65589876.	300311430
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	223,041.	252,921.	208,243.	344,488.	278,208.	1306901.
<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 .....	223,041.	252,921.	208,243.	344,488.	278,208.	1306901.
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....		2,270.				2,270.
<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.) .....	62633543.	53661928.	58154866.	61302180.	65868084.	301620601
<b>14 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>15</b> Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	92.58 %
<b>16</b> Public support percentage from 2015 Schedule A, Part III, line 15 .....	<b>16</b>	91.66 %

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

<b>17</b> Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	.43 %
<b>18</b> Investment income percentage from 2015 Schedule A, Part III, line 17 .....	<b>18</b>	.38 %

**19a 33 1/3% support tests - 2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....☒**b 33 1/3% support tests - 2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....☐**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....☐

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

	Yes	No
<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</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</b> <b>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 (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>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		
<b>11c</b>		

**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? 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.		
<b>1</b>		
<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? 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.		
<b>2</b>		

**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)? 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).		
<b>1</b>		

**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>1</b>		
<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? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<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? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
<b>3</b>		

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

	Yes	No
<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? 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.		
<b>2a</b>		
<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? 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.		
<b>2b</b>		
<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? Provide details in Part VI.		
<b>3a</b>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
<b>3b</b>		

**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)
<b>1</b> Net short-term capital gain	<b>1</b>		
<b>2</b> Recoveries of prior-year distributions	<b>2</b>		
<b>3</b> Other gross income (see instructions)	<b>3</b>		
<b>4</b> Add lines 1 through 3	<b>4</b>		
<b>5</b> Depreciation and depletion	<b>5</b>		
<b>6</b> 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)	<b>6</b>		
<b>7</b> Other expenses (see instructions)	<b>7</b>		
<b>8 Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	<b>8</b>		

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

<b>Section C - Distributable Amount</b>			Current Year
<b>1</b> Adjusted net income for prior year (from Section A, line 8, Column A)	<b>1</b>		
<b>2</b> Enter 85% of line 1	<b>2</b>		
<b>3</b> Minimum asset amount for prior year (from Section B, line 8, Column A)	<b>3</b>		
<b>4</b> Enter greater of line 2 or line 3	<b>4</b>		
<b>5</b> Income tax imposed in prior year	<b>5</b>		
<b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	<b>6</b>		
<b>7</b> <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).			

Schedule A (Form 990 or 990-EZ) 2016

**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 2016 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2016</b>	<b>(iii) Distributable Amount for 2016</b>
<b>1</b> Distributable amount for 2016 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
<b>3</b> Excess distributions carryover, if any, to 2016:			
<b>a</b>			
<b>b</b>			
<b>c</b> From 2013			
<b>d</b> From 2014			
<b>e</b> From 2015			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2016 distributable amount			
<b>i</b> Carryover from 2011 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2016 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2016 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4			
<b>5</b> Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
<b>6</b> Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
<b>7 Excess distributions carryover to 2017.</b> Add lines 3j and 4c			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b> Excess from 2013			
<b>c</b> Excess from 2014			
<b>d</b> Excess from 2015			
<b>e</b> Excess from 2016			

Schedule A (Form 990 or 990-EZ) 2016



## Part VI

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

## Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

## Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

# 2016

Name of the organization

NAVOS

Employer identification number

91-0848698

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

### General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

### Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization

Employer identification number

NAVOS

91-0848698

**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>		\$ <u>400,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>		\$ <u>157,106.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>		\$ <u>110,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>		\$ <u>43,274.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>		\$ <u>21,627.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
<u>6</u>		\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

NAVOS

91-0848698

**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 18,223.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8		\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9		\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10		\$ 10,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11		\$ 10,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>NAVOS</b>	Employer identification number <b>91-0848698</b>
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**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>13</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>14</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>15</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>16</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>17</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>18</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

NAVOS

91-0848698

**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		\$ 9,774.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20		\$ 7,650.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
21		\$ 7,623.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
22		\$ 7,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
23		\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
24		\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>NAVOS</b>	Employer identification number <b>91-0848698</b>
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**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
26		\$ 5,834.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
27		\$ 5,550.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
28		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
29		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
30		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

NAVOS

91-0848698

**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
32		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
33		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
34		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
35		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization	Employer identification number
NAVOS	91-0848698

**Part II Noncash Property** (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
5	SEAHAWKS TICKETS	\$ 21,627.	06/30/16
20	PASSENGER VAN	\$ 7,650.	05/16/16
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization	Employer identification number
NAVOS	91-0848698

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at** [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

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

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

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

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

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

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

Name of organization

NAVOS

Employer identification number

91-0848698

**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-.

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

Schedule C (Form 990 or 990-EZ) 2016

LHA

632041 11-10-16

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

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
<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%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">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? .....														

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
<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					

Schedule C (Form 990 or 990-EZ) 2016

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

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

	(a)		(b)
	Yes	No	Amount
<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		33,131.
<b>j</b> Total. Add lines 1c through 1i			33,131.
<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:**

LOBBYING EXPENSES OF \$3,131 ARE INCURRED AS PART OF MEMBERSHIP DUES

PAID TO WASHINGTON HOSPITAL ASSOCIATION THAT PARTICIPATES IN LOBBYING

ACTIVITIES. LOBBYIST CONTRACTED TO LOBBY AT THE STATE FOR FUNDING FOR

THE CHILDREN'S CAMPUS WHICH IS STATE FUNDED.

**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.**

OMB No. 1545-0047

**2016****Open to Public Inspection**▶ **Information about Schedule D (Form 990) and its instructions is at** [www.irs.gov/form990](http://www.irs.gov/form990).**Name of the organization**

NAVOS

**Employer identification number**

91-0848698

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

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

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

☐ Yes ☐ No

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

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

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

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

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

(i) Revenue included on Form 990, Part VIII, line 1 .....	▶ \$ .....
(ii) Assets included in Form 990, Part X .....	▶ \$ .....

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

a Revenue included on Form 990, Part VIII, line 1 .....	▶ \$ .....
b Assets included in Form 990, Part X .....	▶ \$ .....

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

Schedule D (Form 990) 2016

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☒

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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 ☐ \_\_\_\_\_ %  
 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:

- (i) unrelated organizations \_\_\_\_\_  
 (ii) related organizations \_\_\_\_\_

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? \_\_\_\_\_

	Yes	No
3a(i)		
3a(ii)		
3b		

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,052,118.		7,052,118.
b Buildings		68,357,695.	10,024,214.	58,333,481.
c Leasehold improvements		1,371,406.	3,450,050.	-2,078,644.
d Equipment		8,753,068.	7,032,750.	1,720,318.
e Other		2,872,760.	266,144.	2,606,616.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				67,633,889.

Schedule D (Form 990) 2016

**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) .....		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

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

(a) Description	(b) Book value
(1) .....	
(2) .....	
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
<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) <b>TENANT DEPOSITS</b>	<b>68,649.</b>	
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	<b>68,649.</b>	

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 ☒

Schedule D (Form 990) 2016



**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 IV, LINE 2B:**

NAVOS HOLDS BANK ACCOUNTS FOR TENANTS IN COMPLIANCE WITH OUR CONTRACT THAT SIMPLY STATES THAT THE ACCOUNTS BELONG TO THE TENANTS. NAVOS IS ALLOWED TO GIVE EACH TENANT \$58/MONTH FOR PERSONAL USAGE. THE TENANTS DEPOSIT AND MAINTAIN THEIR ACCOUNTS PERSONALLY. NAVOS IS NOT A PAYOR ON THE ACCOUNT. THESE ACCOUNTS BELONG SOLELY TO THE TENANTS.

**PART X, LINE 2:**

THE INTERNAL REVENUE SERVICE HAS RECOGNIZED NAVOS AND NMTC AS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRE THAT A TAX POSITION BE

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

RECOGNIZED OR DERECOGNIZED BASED ON A "MORE-LIKELY-THAN-NOT" THRESHOLD.  
THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN.  
THE IMPLEMENTATION OF THIS ACCOUNTING POLICY HAD NO IMPACT ON THE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OR CONSOLIDATED STATEMENTS  
OF OPERATIONS. NAVOS DOES NOT BELIEVE IT HAS ANY UNCERTAIN TAX POSITIONS.

Department of the Treasury  
Internal Revenue Service

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

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

**► Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

# 2016

**Open to Public Inspection**

Name of the organization

# NAVOS

Employer identification number

91-0848698

## Part I

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

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

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

**2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes☐ No

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
MARGARET MASAR - PO BOX 60091, BURIEN, WA 98160	GRANT WRITING		X	1,017,337.	35,539.	981,798.
<b>Total</b>				1,017,337.	35,539.	981,798.

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

WA

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

		(a) Event #1 <b>GROWING HOPE LUNCHEON</b> (event type)	(b) Event #2 (event type)	(c) Other events <b>NONE</b> (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts .....	198,520.			198,520.
	2 Less: Contributions .....	198,520.			198,520.
	3 Gross income (line 1 minus line 2) .....				
Direct Expenses	4 Cash prizes .....				
	5 Noncash prizes .....				
	6 Rent/facility costs .....	6,855.			6,855.
	7 Food and beverages .....	21,023.			21,023.
	8 Entertainment .....	15,312.			15,312.
	9 Other direct expenses .....	19,029.			19,029.
	10 Direct expense summary. Add lines 4 through 9 in column (d) .....				62,219.
11 Net income summary. Subtract line 10 from line 3, column (d) .....				-62,219.	

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

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

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

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

b If "No," explain: \_\_\_\_\_

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

b If "Yes," explain: \_\_\_\_\_

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

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

**b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

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

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 16** Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor

- 17** Mandatory distributions:

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

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

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

<b>Part IV</b>	<b>Supplemental Information</b> <i>(continued)</i>
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[illegible]

**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization

NAVOS

Employer identification number

91-0848698

**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>1b</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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<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 checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<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?		

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)			15232954.	7453428.	7779526.	12.12%
<b>b</b> Medicaid (from Worksheet 3, column a)			10532470.	8179399.	2353071.	3.67%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)			38761431.	33705592.	5055839.	7.88%
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			64526855.	49338419.	15188436.	23.67%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			269,018.	2,208.	266,810.	.42%
<b>f</b> Health professions education (from Worksheet 5)						
<b>g</b> Subsidized health services (from Worksheet 6)			3556672.	3092759.	463,913.	.72%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)						
<b>j Total.</b> Other Benefits			3825690.	3094967.	730,723.	1.14%
<b>k Total.</b> Add lines 7d and 7j			68352545.	52433386.	15919159.	24.81%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			690,724.	488,543.	202,181.	.32%
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			690,724.	488,543.	202,181.	.32%

<b>Part III</b>	<b>Bad Debt, Medicare, &amp; Collection Practices</b>
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### Section A. Bad Debt Expense

Section A. Bad Debt Expense			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	170,376.	
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	170,376.	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5	2,045,136.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,074,819.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-29,683.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other			
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
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	X	

<b>Part IV</b>	<b>Management Companies and Joint Ventures</b>	(owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)
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[illegible]



<b>Part V</b>	<b>Facility Information</b>
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## 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)

[illegible]

**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 NAVOS PSYCHIATRIC HOSPITALLine 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? .....	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <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>16</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 .....	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....	6b	X
7 Did the hospital facility make its CHNA report widely available to the public? .....	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.NAVOS.ORG</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>SEE SECTION C</u>		
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 .....	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	10	X
a If "Yes," (list url): <u>WWW.NAVOS.ORG</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group **NAVOS PSYCHIATRIC 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>13</b> X	
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>200</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
<b>b</b> <input 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 type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	<b>14</b>	X
<b>15</b> Explained the method for applying for financial assistance? .....	<b>15</b> X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
<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 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>16</b> X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input type="checkbox"/> The FAP was widely available on a website (list url): _____		
<b>b</b> <input type="checkbox"/> The FAP application form was widely available on a website (list url): _____		
<b>c</b> <input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): _____		
<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 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 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 type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2016

**Part V Facility Information** (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group NAVOS PSYCHIATRIC 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? .....	<b>17</b>	<b>X</b>	
<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? .....	<b>19</b>		<b>X</b>
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 type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
<b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications			
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations			
<b>e</b> <input checked="" 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? .....	<b>21</b>	<b>X</b>	
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)			

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**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 NAVOS PSYCHIATRIC HOSPITAL**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

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

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

If "Yes," explain in Section C.

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

If "Yes," explain in Section C.

	Yes	No
<b>23</b>		<b>X</b>
<b>24</b>		<b>X</b>

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**Part V Facility Information** (continued)

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

NAVOS PSYCHIATRIC HOSPITAL:

PART V, SECTION B, LINE 5: WE INVITED COMMUNITY COALITIONS AND

ORGANIZATIONS TO TELL US ABOUT THE ASSETS AND RESOURCES THAT HELP THEIR

COMMUNITIES THRIVE. THE ASSETS MOST FREQUENTLY MENTIONED WERE EXISTING

PARTNERSHIPS AND COALITIONS, COMMUNITY HEALTH CENTERS, FAITH COMMUNITIES,

AND FOOD PROGRAMS.

WE ALSO ASKED COMMUNITY REPRESENTATIVES TO IDENTIFY CONCERNS ABOUT HEALTH

NEEDS IN THEIR COMMUNITIES.

WE CONSULTED WITH:

AGING & DISABILITY SERVICES

AIRLIFT NORTHWEST

AMR AMBULANCE

ASIAN COUNSELING AND REFERRAL SERVICES

BEHAVIORAL HEALTH PARTNERSHIP GROUP

BRAIN INJURY ALLIANCE

BURIEN POLICE DEPARTMENT

CARSAFE KIDS

CATHOLIC COMMUNITY SERVICES

CEDAR RIVER GROUP

CENTER FOR HUMAN SERVICES

CENTER FOR MULTICULTURAL HEALTH

CENTRAL REGION EMS & TRAUMA CARE COUNCIL

CHILDHOOD OBESITY PREVENTION COALITION

CHILDREN'S ALLIANCE

**Part V Facility Information** (continued)

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

CITY OF BELLEVUE

CITY OF KIRKLAND

CITY OF LAKE FOREST PARK

CITY OF REDMOND

CITY OF SHORELINE HUMAN SERVICES

COMMUNITY HEALTH NETWORK OF WASHINGTON

COMMUNITY HOUSE MENTAL HEALTH

COMMUNITY PSYCHIATRIC CLINIC

CONSEJO COUNSELING

COUNTRY DOCTOR COMMUNITY

HEALTH CENTER

DESC

DUVALL FIRE DEPARTMENT

EASTSIDE AID COMMUNITY

EASTSIDE HUMAN SERVICES FORUM

EQUAL START COMMUNITY COALITION

EVERGREENHEALTH EMERGENCY

DEPARTMENT

FALCK NORTHWEST EMERGENCY

MEDICAL SERVICES

FEET FIRST PEDESTRIAN SAFETY COALITION

FOREFRONT

FRIENDS OF YOUTH

GROUP HEALTH EMERGENCY DEPARTMENT

HARBORVIEW MEDICAL CENTER

EMERGENCY DEPARTMENT

HARBORVIEW MENTAL HEALTH

**Part V Facility Information** (continued)

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

HARBORVIEW SPINE CENTER AND CONCUSSION PROGRAM

HEALTH COALITION FOR CHILDREN AND YOUTH

HIGHLINE MEDICAL CENTER EMERGENCY DEPARTMENT

HOPELINK

ISSAQUAH HUMAN SERVICES COMMISSION

ISSAQUAH POLICE DEPARTMENT

ISSAQUAH SAMMAMISH INTERFAITH COALITION

KENT POLICE DEPARTMENT

KING COUNTY COUNCIL

KING COUNTY MENTAL HEALTH CHEMICAL

ABUSE AND DEPENDENCY SERVICES

KING COUNTY TRAFFIC SAFETY TASK FORCE

KIRKLAND CITY COUNCIL

KIRKLAND POLICE DEPARTMENT

LOCAL HAZARDOUS WASTE MANAGEMENT

MAPLE VALLEY POLICE DEPARTMENT

MOLINA HEALTHCARE

MULTICARE AUBURN EMERGENCY DEPARTMENT

NATIVE AMERICAN WOMEN'S DIALOGUE ON INFANT MORTALITY

NEIGHBORHOOD HOUSE

NEWCASTLE POLICE DEPARTMENT

NICK OF TIME FOUNDATION

NORTH URBAN HUMAN SERVICES ALLIANCE

NORTHSHORE/SHORELINE COMMUNITY NETWORK

NORTHWEST HEALTH LAW ADVOCATES

NORTHWEST HOSPITAL EMERGENCY DEPARTMENT

ODESSA BROWN CHILDREN'S CLINIC



**Part V Facility Information** (continued)

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

OLYMPIC PHYSICAL THERAPY

OPEN ARMS PERINATAL SERVICES

OVERLAKE MEDICAL CENTER

OVERLAKE MEDICAL CENTER EMERGENCY DEPARTMENT

PARTNERS FOR OUR CHILDREN

PROJECT ACCESS NORTHWEST

PUBLIC HEALTH - SEATTLE & KING COUNTY:

EMERGENCY MEDICAL SERVICES

REDMOND CITY COUNCIL

REDMOND POLICE DEPARTMENT

RENTON POLICE DEPARTMENT

SAFE KIDS EASTSIDE

SAFE KIDS SEATTLE/SOUTH KING COUNTY

SEAMAR COMMUNITY HEALTH CENTER

SEATAC POLICE DEPARTMENT

SEATTLE CHILDREN'S HOSPITAL

SEATTLE CHILDREN'S HOSPITAL EMERGENCY DEPARTMENT

SEATTLE COUNSELING SERVICE

SEATTLE HUMAN SERVICES COALITION

SERVICE EMPLOYEES INTERNATIONAL

UNION HEALTHCARE 1199NW

SHORELINE COMMUNITY COLLEGE

SNOQUALMIE VALLEY HOSPITAL

EMERGENCY DEPARTMENT

SOUND MENTAL HEALTH

SOUTH KING COUNCIL OF HUMAN SERVICES

ST. ELIZABETH HOSPITAL EMERGENCY DEPARTMENT

**Part V Facility Information** (continued)

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

ST. FRANCIS EMERGENCY DEPARTMENT

THE ARC OF KING COUNTY

TRI-MED AMBULANCE

VALLEY CITIES COUNSELING

VALLEY MEDICAL CENTER EMERGENCY DEPARTMENT

WASHINGTON AMBULANCE ASSOCIATION

WASHINGTON CHAPTER, AMERICAN

ACADEMY OF PEDIATRICS

WASHINGTON DENTAL SERVICE FOUNDATION

WASHINGTON STATE DEPARTMENT OF HEALTH

WASHINGTON STATE HOSPITAL ASSOCIATION

WITHINREACH

YMCA

YOUTH EASTSIDE SERVICES

YWCA SEATTLE-KING-SNOHOMISH

NAVOS PSYCHIATRIC HOSPITAL:

PART V, SECTION B, LINE 6A: EVERGREENHEALTH

ST. ELIZABETH HOSPITAL

ST. FRANCIS HOSPITAL

HIGHLINE MEDICAL CENTER

REGIONAL HOSPITAL

GROUP HEALTH COOPERATIVE

AUBURN MEDICAL CENTER

OVERLAKE MEDICAL CENTER

SEATTLE CANCER CARE ALLIANCE

**Part V Facility Information** (continued)

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

SEATTLE CHILDREN'S HOSPITAL

SNOQUALMIE VALLEY HOSPITAL DISTRICT

SWEDISH MEDICAL CENTER

HARBORVIEW MEDICAL CENTER

NORTHWEST HOSPITAL & MEDICAL CENTER

UW MEDICAL CENTER

VALLEY MEDICAL CENTER

VIRGINIA MASON

NAVOS PSYCHIATRIC HOSPITAL:

PART V, SECTION B, LINE 11: 2015/2016 OPPORTUNITIES IDENTIFIED FOR  
BEHAVIORAL HEALTH BY THE CHNA INCLUDE:

1. USE OF STANDARDIZED REFERRAL PROTOCOLS, COORDINATION OF DISCHARGE  
PLANNING ACROSS THE HEALTHCARE SYSTEM, INCREASED CAPACITY FOR INTEGRATED  
BEHAVIORAL HEALTHCARE, AND INCREASED INPATIENT CAPACITY FOR BEHAVIORAL  
HEALTH. ADDED 2 ADDITIONAL BEDS AND ALREADY PROVIDE INTEGRATED HEALTHCARE  
WITH OUR PATIENTS VIA OUR MEDICAL TEAM, BEHAVIORAL HEALTHCARE TEAM,  
ADJUNCTIVE THERAPIES, PSYCHIATRIC PROVIDERS AND SOCIAL SERVICES.

2. SOME HEALTHCARE SYSTEMS, PUBLIC HEALTH, AND UNIVERSITIES PROVIDE  
NALOXONE, AN OPIATE OVERDOSE ANTIDOTE, TO INDIVIDUALS IN HIGH-RISK  
POPULATIONS. THE DRUG HAS BEEN SHOWN TO REDUCE FATALITIES FROM OPIATE USE.  
WE HAVE NALOXONE AVAILABLE AT ALL OUR SITES AND ALSO HAVE PRESCRIBERS  
PRESCRIBING TO PATIENTS SO THAT THEY HAVE THIS AT HOME AND ON THEIR  
PERSON.

**Part V Facility Information** (continued)

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

3. COORDINATION RELATED TO DISCHARGE PLANNING (INCLUDING NOTIFICATION OF BEHAVIORAL HEALTHCARE PROVIDERS AND COMMUNICATION OF PRESCRIPTIONS TO ALL RELEVANT PROVIDERS) COULD CREATE EFFICIENCIES AND REDUCE UNNECESSARY EMERGENCY DEPARTMENT USE.

AT THE TIME OF DISCHARGE THE PATIENT RECEIVES A LIST OF DISCHARGE MEDICATIONS AND THE LIST ALONG WITH CLINICAL INFORMATION IS FAXED TO THE OUTPATIENT PROVIDER. AN ADDITIONAL DISCHARGE PLANNER WAS HIRED TO DECREASE CASELOAD AND IMPROVE COORDINATION OF SERVICES BETWEEN INPATIENT AND OUTPATIENT.

THE PEER BRIDGERS ESCORT PATIENTS TO THE PHARMACY TO ASSIST IN FILLING DISCHARGE MEDICATIONS, FOLLOW UP PHONES CALL AND PROVIDE TRANSPORTATION TO FOLLOW UP APPOINTMENTS.

4. CLINICIANS IN PRIMARY CARE AND EMERGENCY DEPARTMENTS CAN USE SCREENING, BRIEF INTERVENTION, AND REFERRAL TO TREATMENT (SBIRT) TO IDENTIFY INDIVIDUALS AT RISK FOR SUBSTANCE ABUSE DISORDERS. IN 2016 ADDED A CDPT TO THE SOCIAL SERVICES DEPARTMENT TO ADMINISTER THE SBIRT ON ALL NEW ADMISSIONS.

5. MANY HEALTHCARE ORGANIZATIONS ARE INCREASING THEIR CAPACITY FOR INTEGRATED BEHAVIORAL HEALTHCARE. WE OPERATE AN INTEGRATED HEALTHCARE CLINIC IN PARTNERSHIP WITH KING COUNTY PUBLIC HEALTH.

6. CONTINUED ADVOCACY FOR IMPROVED COORDINATION BETWEEN MENTAL AND PHYSICAL HEALTH SERVICES CAN HIGHLIGHT THE IMPORTANCE OF THIS ISSUE. WE HAVE AN INTEGRATED HEALTHCARE MONTHLY MEETING TO ENSURE ALL OUR CLINICAL

**Part V Facility Information** (continued)

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

PROGRAMS ARE EDUCATING CLIENTS ON THE IMPACT OF PHYSICAL HEALTH CONDITIONS ON THEIR MENTAL HEALTH AND THE IMPACT OF MENTAL HEALTH DIFFICULTIES ON PHYSICAL HEALTH. WE ARE DEVELOPING AN INTEGRATED HEALTHCARE ACADEMY FOR ALL CLINICIANS.

7. SOME HOSPITALS ARE PLANNING TO OPEN ADDITIONAL PSYCHIATRIC TREATMENT BEDS, INCLUDING BEDS FOR ADOLESCENTS. MEDICAID WILL COVER PSYCHIATRIC SERVICES WITHIN FREESTANDING PSYCHIATRIC HOSPITALS FOR THE NEXT TWO YEARS. ADDED 2 ADDITIONAL BEDS TO EASE BOARDING IN THE COUNTY AND WE ARE INCREASING OUR ADOLESCENT BEDS FROM 15 TO 30.

8. THE EARLY DETECTION AND INTERVENTION FOR THE PREVENTION OF PSYCHOSIS PROGRAM (EDIPPP) EDUCATES FAMILIES AND THOSE WHO ROUTINELY INTERACT WITH YOUTHTEACHERS, MENTAL HEALTH PROFESSIONALS, AND DOCTORSABOUT KEY SIGNS TO LOOK FOR IN YOUNG PEOPLE TO IDENTIFY AND PREVENT PSYCHOSIS. WE ARE WORKING CLOSELY WITH COMMUNITY PROVIDERS WHO ARE UTILIZING THE NEW JOURNEYS PROGRAM FOR EDIPP. THIS IS ALSO ENVELOPED INTO OUR CLINICAL TRAINING PROGRAM FOR ALL PROVIDERS.

9. APPLYING TRAUMA INFORMED CARE PRINCIPLES WITHIN HEALTHCARE FACILITIES CAN REDUCE UNNECESSARY TRAUMA FOR PEOPLE LIVING WITH A MENTAL ILLNESS OR TRAUMA IMPACTS. IMPLEMENTED TRAUMA INFORMED PRINCIPLES COMPLETED INITIAL TRAINING OF ALL STAFF ALONG WITH YEARLY REFRESHERS. WE HAVE A TRAUMA INFORMED CARE POLICY AND ADDED THE TENETS TO OUR EMPLOYEE PERFORMANCE PLANS. WE HAVE INCREASED OUR USE OF PEERS TO ENSURE CLINET VOICE AND CHOICE IN THEIR TREATMENT. ALL STAFF UNDERSTAND THE NEUROBIOLOGY OF TRAUMA.

**Part V Facility Information** (continued)

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

NAVOS PSYCHIATRIC HOSPITAL:

PART V, SECTION B, LINE 13H: KING COUNTY POLICY AND PROCEDURE MANUAL AND  
EXTENUATING CIRCUMSTANCES.

NAVOS PSYCHIATRIC HOSPITAL:

PART V, SECTION B, LINE 20E: FOR INPATIENT SERVICES, NO ECAS ARE EVER  
TAKEN AS THE PATIENTS ARE ADMITTED DUE TO A COURT ORDER AND DO NOT HAVE  
THE FINANCIAL ABILITY TO PAY.

PART V, SECTION B, LINE 7B

OTHER WEBSITE CHNA IS AVAILABLE TO THE PUBLIC:

[HTTP://WWW.KINGCOUNTY.GOV/DEPTS/HEALTH/DATA/COMMUNITY-HEALTHINDICATORS/= /MEDIA/DEPTS/HEALTH/DATA/DOCUMENTS/2015-2016-JOINT-CHNA-REPORT-SUMMARY.A SHX](http://WWW.KINGCOUNTY.GOV/DEPTS/HEALTH/DATA/COMMUNITY-HEALTHINDICATORS/= /MEDIA/DEPTS/HEALTH/DATA/DOCUMENTS/2015-2016-JOINT-CHNA-REPORT-SUMMARY.A SHX)

PART V, SECTION B, FINANCIAL ASSISTANCE POLICY SECTION

IN 2017, THROUGH AN EXAMINATION WITH THE IRS, IT WAS BROUGHT TO LIGHT  
THAT THERE WERE SOME MISSING ITEMS IN THE ORGANIZATION'S FINANCIAL  
ASSISTANCE POLICY. FROM THAT, THE ORGANIZATION IS UPDATING ITS POLICY  
TO BE IN FULL COMPLIANCE WITH THE RULES AND REGULATIONS.

PART V, SECTION B, LINE 14

THE FINANCIAL ASSISTANCE POLICY IS BEING UPDATED TO INCLUDE THE BASIS

**Part V Facility Information** (continued)

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

FOR CALCULATING AMOUNTS CHARGED TO PATIENTS. THIS WILL BE COMPLETED BY  
12/31/2017.

PART V, SECTION B, LINE 15C & 15D

THE FINANCIAL ASSISTANCE APPLICATION METHOD IS BEING UPDATED TO INCLUDE  
CONTACT INFORMATION OF HOSPITAL FACILITY STAFF WHO CAN PROVIDE AN  
INDIVIDUAL WITH INFORMATION ABOUT THE FAP AND FAP APPLICATION PROCESS.  
THE METHOD WILL ALSO BE UPDATED TO PROVIDE CONTACT INFORMATION OF  
NONPROFIT ORGANIZATIONS OR GOVERNMENT AGENCIES THAT MAY BE SOURCES OF  
ASSISTANCE WITH FAP APPLICATIONS. THIS WILL BE COMPLETED BY 12/31/2017.

PART V, SECTION B, LINE 16A, 16B, 16F, 16G, 16H, 16I

THE FOLLOWING ITEMS WILL BE COMPLETED AND UPDATED BY 12/31/2017:

A - C - THE FAP, FINANCIAL ASSISTANCE APPLICATION AND PLAIN LANGUAGE  
SUMMARY OF THE FAP WILL BE AVAILABLE ON THE WEBSITE.

F - THE PLAIN LANGUAGE SUMMARY WILL BE AVAILABLE UPON REQUEST AND  
WITHOUT CHARGE.

G - INDIVIDUALS WILL BE NOTIFIED ABOUT THE FAP BY BEING OFFERED A PAPER  
COPY OF THE PLAIN LANGUAGE SUMMARY OF THE FAP, RECEIVING NOTIFICATION  
WITH THEIR BILLING STATEMENTS AND VIA CONSPICUOUS PUBLIC DISPLAYS.

H - MEMBERS OF THE COMMUNITY WHO ARE MOST LIKELY TO REQUIRE FINANCIAL  
ASSISTANCE WILL BE NOTIFIED ABOUT THE AVAILABILITY OF THE FAP UNLESS A  
PRESUMPTIVE ELIGIBILITY DETERMINATION IS MADE THAT THEY ARE FAP  
ELIGIBLE.

I - THE FAP, FINANCIAL ASSISTANCE APPLICATION AND PLAIN LANGUAGE  
SUMMARY OF THE FAP WILL BE TRANSLATED INTO THE PRIMARY LANGUAGE(S)  
SPOKEN BY LEP POPULATIONS.

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



**Part V 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? 29

Name and address	Type of Facility (describe)
1 PACT BRYSON SQUARE 24006 108TH PLACE SE KENT, WA 98030	HOUSING
2 PACT BURIEN HEIGHTS APARTMENTS 1115 SW 134TH STREET BURIEN, WA 98146	HOUSING
3 PACT CLUB PALISADES 2211 S STAR LAKE ROAD FEDERAL WAY, WA 98003	HOUSING
4 PACT ALTURAS (THE HEIGHTS AT BURIEN) 1101 SW 139TH ST BURIEN, WA 98166	HOUSING
5 PACT CREEKWOOD APARTMENTS 2200 SOUTH 234TH STREET DES MOINES, WA 98198	HOUSING
6 BRICK HOUSE 1127 SW 134TH STREET BURIEN, WA 98134	HOUSING
7 CEDARSTONE 13213 AMBAUM BLVD SW BURIEN, WA 98146	HOUSING
8 ENDEAVOR HOUSE 14835 42ND AVE S TUKWILA, WA 98168	HOUSING
9 EVERGREEN HOUSE 818 S 231 STREET DES MOINES, WA 98198	HOUSING
10 FAIRWAY HOUSE 1728 S 104TH SEATTLE, WA 98168	HOUSING

Schedule H (Form 990) 2016

**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? 29

Name and address	Type of Facility (describe)
11 GRADUATE HOUSE 13432 4TH AVE SW SEATTLE, WA 98146	HOUSING
12 HIGHLINE VILLAGE 2604 - 2614 SW HOLDEN STREET SEATTLE, WA 98126	HOUSING
13 HILLCREST PARK APARTMENTS 12227 DES MOINES MEMORIAL DRIVE SEATTLE, WA 98168	HOUSING
14 KENT 24904 36TH AVE S KENT, WA 98032	OLDER ADULT
15 NIKE M-1 23948 35TH PLACE S KENT, WA 98032	OLDER ADULT
16 NIKE M-18 23942 35TH PLACE S KENT, WA 98032	OLDER ADULT
17 NIKE M-2 23956 35TH PLACE S KENT, WA 98032	OLDER ADULT
18 NIKE M-4 23959 35TH PLACE S KENT, WA 98032	OLDER ADULT
19 NIKE M-5 23957 35TH PLACE S KENT, WA 98032	OLDER ADULT
20 NIKE M-6 23951 35TH PLACE S KENT, WA 98032	OLDER ADULT

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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? 29

Name and address	Type of Facility (describe)
21 OCCIDENTAL 13620 OCCIDENTAL S SEATTLE, WA 98168	HOUSING
22 PALS 14611 5TH AVE S SEATTLE, WA 98168	HOUSING
23 WEATHER VANE APARTMENTS - BURIE 1123 SW 134TH STREET BURIE, WA 98146	HOUSING
24 LAKEWOOD APARTMENTS 1500 SW 112TH STREET SEATTLE, WA 98146	HOUSING
25 CONBELA APARTMENTS 8424 DELRIDGE WAY SW SEATTLE, WA 98106	HOUSING
26 VALLEYWOOD APARTMENTS 801 'I' STREET NE AUBURN, WA 98002	HOUSING
28 BARDA BULDING 2600 SW HOLDEN STREET SEATTLE, WA 98126	OUT PATIENT TREATMENT
29 NEW BURIE CAMPUS 1210 SW 136TH STREET BURIE, WA 98166	OUT PATIENT TREATMENT
30 LAKE BURIE CAMPUS 1033 SW 152ND STREET BURIE, WA 98166	RES TREATMENT

Schedule H (Form 990) 2016

**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 7:**

THE COSTING METHOD USED FOR MOST OF SCHEDULE H, PART I, LINE 7 IS THE COST TO CHARGE RATIO. FOR COSTS OF OTHER MEANS TESTED GOVERNMENT PROGRAMS (LINE 7C) AND SUBSIDIZED HEALTH SERVICES (LINE 7G) AN ESTIMATE OF COST TO REVENUE RATIO WAS USED. THE USE OF A DIFFERENT METHOD IS DUE TO THE REVENUE FOR THESE PROGRAMS AND SERVICES BEING BASED ON METRICS OTHER THAN GROSS CHARGES. AS SUCH THE COST TO CHARGE RATIO DOES NOT ACCURATELY REFLECT THE COSTS ASSOCIATED WITH THESE PROGRAMS AND SERVICES. THIS IS A CHANGE IN COSTING METHODOLOGY FOR LINES 7C AND 7G FROM WHAT HAS BEEN USED IN YEARS PRIOR TO 2015.

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

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 170,376.

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**PART II, COMMUNITY BUILDING ACTIVITIES:**

**LINE 2, ECONOMIC DEVELOPMENT: SUPPORTED EMPLOYMENT - THE SUPPORTED**

**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.

EMPLOYMENT PROGRAM WORKS WITH INDIVIDUALS TO HELP THEM BUILD SKILLS, FIND MEANINGFUL WORK, AND MAINTAIN JOBS. VOCATIONAL SPECIALISTS MATCH POTENTIAL CLIENT-EMPLOYEES WITH EMPLOYERS AND PROVIDE LONG-TERM SUPPORT SERVICES TO ENSURE CLIENTS' ONGOING EMPLOYMENT SUCCESS. VOCATIONAL STAFF DEVELOP PARTNERSHIPS WITH COMMUNITY BUSINESSES AND COLLABORATE WITH THE DIVISION OF VOCATIONAL REHABILITATION, AS WELL AS OTHER EMPLOYMENT SERVICE AGENCIES. THE NAVOS CAFE/FOOD SERVICE PROGRAMS WORK WITH THE VOCATIONAL SERVICE CLIENTS TO TRAIN THEM FOR RETAIL AND FOOD SERVICE INDUSTRY. COALITION FOR DRUG FREE YOUTH, MENTORS GROUPS TO FACILITATE THE GOAL OF DRUG REDUCTION AND EDUCATION FOR THE SCHOOL DISTRICTS.

PART III, LINE 2:

BAD DEBT EXPENSE IS ESTIMATED BASED ON ACTUAL HISTORICAL BAD DEBT TO TOTAL GROSS REVENUE. DISCOUNTS AND PAYMENT ON PATIENT ACCOUNTS ARE NOT INCLUDED IN BAD DEBT EXPENSE.

PART III, LINE 3:

THE ORGANIZATION DOES NOT USUALLY HAVE REVENUE WRITTEN OFF AS BAD DEBTS.

**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.

AS 97% OF PATIENTS ARE CONSIDERED MEDICALLY INDIGENT PERSONS. AMOUNTS THAT ARE WRITTEN OFF ARE MORE OFTEN THAN NOT ARE CONSIDERED CHARITY CARE AS THE PERSONS FALL UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.

PART III, LINE 4:

THE FOOTNOTE DISCUSSING BAD DEBT EXPENSE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS IS ON PAGE 13 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS.

PART III, LINE 8:

THE ORGANIZATION DOES NOT TREAT ANY OF THE MEDICARE SHORTFALL AS COMMUNITY BENEFIT.

THE ORGANIZATION'S COSTS ARE SEPARATED BY COST CENTERS AND NON REIMBURSABLE COST CENTERS ARE ELIMINATED FROM THE MEDICARE COST REPORT. THE REMAINING COSTS ARE DETERMINED FIRST BY DIRECT RELATIONSHIP TO THE ALLOWABLE CENTERS THEN BY UTILIZING CENSUS TO DETERMINE THE NON DIRECT ALLOWABLE COSTS ALLOCATED TO ALLOWABLE CENTERS. THE COSTS ARE STEPPED DOWN ACCORDING TO THE RULES OF THE MEDICARE COST REPORT INSTRUCTIONS.

**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.
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- 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.

THE PHARMACY AND LAB CHARGES ARE BASED ON A COST TO CHARGE RATIO AND UTILIZES SEGMENTS WITHIN THE CENTER TO DETERMINE THE APPROPRIATE CLASSIFICATIONS FOR THE COSTS. INPATIENT PSYCHIATRIC SERVICES UTILIZES THE SEPARATION OF EACH FUNDING SOURCES TO DETERMINE APPROPRIATE RELATIONSHIP TO THE FUNDING SOURCE AND SEGMENTS LISTED.

PART III, LINE 9B:

PENDING FINAL ELIGIBILITY DETERMINATION (FOR CHARITY CARE), THE HOSPITAL WILL NOT INITIATE COLLECTION EFFORTS OR REQUEST DEPOSITS, PROVIDED THAT THE RESPONSIBLE PARTY IS COOPERATIVE WITH THE HOSPITAL'S EFFORTS TO REACH A FINAL DETERMINATION OF SPONSORSHIP STATUS. THE RESPONSIBLE PARTY'S FINANCIAL OBLIGATION, WHICH REMAINS AFTER THE APPLICATION OF ANY SLIDING FEE SCHEDULE SHALL BE PAYABLE IN MONTHLY INSTALLMENTS OVER A REASONABLE PERIOD OF TIME, WITHOUT INTEREST OR LATE FEES, AS NEGOTIATED BETWEEN THE HOSPITAL AND THE RESPONSIBLE PARTY. THE RESPONSIBLE PARTY'S ACCOUNT SHALL NOT BE TURNED OVER TO A COLLECTION AGENCY UNLESS PAYMENTS ARE MISSED OR THERE IS SOME PERIOD OF INACTIVITY ON THE ACCOUNT, AND THERE IS NO

**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.

SATISFACTORY CONTACT WITH THE PATIENT. IF THE PATIENT HAS PAID SOME OR THE ENTIRE BILL FOR MEDICAL SERVICES AND IS LATER FOUND TO HAVE BEEN ELIGIBLE FOR CHARITY CARE AT THE TIME SERVICES WERE PROVIDED, HE/SHE SHALL BE REIMBURSED WITHIN THIRTY (30) DAYS OF RECEIVING THE CHARITY CARE DESIGNATION.

PART VI, LINE 2:

NAVOS PARTICIPATES IN A VARIETY OF FORUMS AND ADVISORY GROUPS AT BOTH THE STATE AND LOCAL LEVEL REGARDING MENTAL HEALTH NEEDS.

PART VI, LINE 3:

NAVOS HAS A STRUCTURED INTAKE PROCEDURE, WRITTEN POLICIES REQUIRING FINANCIAL COUNSELING, AND PROCEDURES FOR ENSURING COVERAGE BY ASSISTANCE PROGRAMS FOR BOTH INPATIENT AND OUTPATIENT POPULATIONS.

PART VI, LINE 4:

NAVOS TARGETS THE POPULATION OF KING COUNTY RESIDENTS WITH SEVERE MENTAL ILLNESS. THIS POPULATION HAS SUBSTANTIALLY HIGHER RATES OF WOMEN THAN THE



**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.
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- 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.

GENERAL KING COUNTY POPULATION. ALTHOUGH NAVOS PROVIDES ABOUT HALF THE SERVICES TO CHILDREN AND FAMILIES DELIVERED UNDER THE COUNTY MENTAL HEALTH PROGRAM THROUGH A CONSORTIUM OF SPECIALTY AGENCIES, MOST OF THE CLIENTS SERVED DIRECTLY BY NAVOS ARE ADULTS AND OLDER ADULTS. IT IS NOTABLE THAT THE RATE OF PERSONS OVER AGE 65 RECEIVING CARE AT NAVOS IS DISPROPORTIONATELY HIGH AT 29%, COMPARED WITH THE GENERAL POPULATION RATE OF 11%. WE PROVIDE SPECIALIZED SERVICES FOR OLDER CLIENTS. THE NAVOS CLIENT POPULATION IS MORE ETHNICALLY DIVERSE THAN THE COUNTY POPULATION, WITH 1/3 OF OUR PATIENTS DESIGNATED AS AFRICAN AMERICANS/AFRICANS, ASIAN/PACIFIC ISLANDERS, ALASKA NATIVE/AMERICAN INDIANS, MULTI-RACIAL, OR "SOME OTHER RACE." 5% OF NAVOS CLIENTS HAVE SELF-REPORTED VETERAN STATUS. IT IS LIKELY THAT THIS RATE IS ACTUALLY SOMEWHAT HIGHER. FINALLY, OUR CLIENTS WITH SERIOUS MENTAL ILLNESS ARE OF VERY LOW INCOME, WITH 97% HAVING INCOMES AT OR BELOW 200% OF POVERTY. 87% OF OUR OUTPATIENT CLIENTS HAVE INCOMES LESS THAN 100% OF POVERTY.

PART VI, LINE 5:

NAVOS PROMOTES WELLNESS AND RECOVERY IN BOTH INPATIENT AND OUTPATIENT

**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.

SETTINGS THROUGH GROUP SESSIONS AND INDIVIDUAL TREATMENT PLANS. NAVOS SPONSORS CONSUMER-OPERATED ADVOCACY AND RECOVERY ORGANIZATIONS AND IT PARTICIPATES IN REGIONAL AND LOCAL PLANNING EFFORTS RELATED TO HEALTH PROMOTION AND EMERGENCY PREPAREDNESS. NAVOS IS A LEADER IN THE INTEGRATION OF PRIMARY CARE AND TREATMENT OF MENTAL ILLNESS.

PART VI, LINE 6:

N/A

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization

NAVOS

Employer identification number

91-0848698

**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 .....

**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? .....

**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 type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input 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? .....

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....

**c** Participate in, or receive payment from, an equity-based compensation arrangement? .....

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**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? .....

**b** Any related organization? .....

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? .....

**b** Any related organization? .....

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 .....

**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 .....

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

Yes No

<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2016

**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) DAVID JOHNSON	(i)	222,482.	0.	0.	0.	9,969.	232,451.	0.
CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) CASSIE UNDLIN	(i)	195,927.	0.	0.	3,945.	7,747.	207,619.	0.
COO	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) SHANNON CORBIN	(i)	214,905.	0.	0.	4,309.	7,768.	226,982.	0.
OUTPATIENT MEDICAL DIRECTOR	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JEFF KORCZ	(i)	257,942.	0.	0.	5,304.	9,448.	272,694.	0.
PSYCHIATRIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) JEFF SKOLNICK	(i)	252,246.	0.	0.	4,926.	9,448.	266,620.	0.
PSYCHIATRIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) DIANE MCCLEAVE	(i)	174,853.	0.	0.	0.	8,030.	182,883.	0.
REGISTERED NURSE	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) BRIAN COLEMAN	(i)	189,516.	0.	0.	7,727.	5,677.	202,920.	0.
PSYCHIATRIST	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

<b>Part III</b>	<b>Supplemental Information</b>
-----------------	---------------------------------

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.

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

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

► **Attach to Form 990.** ► **Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**  
**Open to Public**  
**Inspection**

Name of the organization

NAVOS

**Employer identification number**  
**91-0848698**

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A WASHINGTON HEALTH CARE FACILITIES AUTHORITY	91-1108929	NONE	10/21/04	3,800,000.	PURCHASE FACILITIES		X		X		X
B WASHINGTON HEALTH CARE FACILITIES AUTHORITY	91-1108929	NONE	04/14/10	7,500,000.	PURCHASE FACILITIES		X		X		X
C											
D											

**Part II Proceeds**

	A		B		C		D	
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	3,800,000.		7,500,000.					
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds	34,000.		104,911.					
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	699,640.		7,395,089.					
11 Other spent proceeds	3,066,360.							
12 Other unspent proceeds								
13 Year of substantial completion	2004		2011					
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			X				
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

**Part III Private Business Use**

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

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

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		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				
<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 .....		%		%		%		%
<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 .....		%		%		%		%
<b>6</b> Total of lines 4 and 5 .....		%		%		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		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				
<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				

**Part IV Arbitrage**

	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				
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....		X		X				
<b>b</b> Exception to rebate? .....	X		X					
<b>c</b> No rebate due? .....		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				
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		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? .....								

**Part IV Arbitrage (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		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				
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....		X		X				

## Part V Procedures To Undertake Corrective Action

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

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

[illegible]



**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

OMB No. 1545-0047

**2016**

Open To Public  
Inspection

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**

▶ **Attach to Form 990.**

▶ **Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization

NAVOS

Employer identification number

91-0848698

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art .....				
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....				
5 Clothing and household goods .....	X		21,299.	COST/SELLING PRICE
6 Cars and other vehicles .....	X	1	7,650.	BLUE BOOK
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....				
10 Securities - Closely held stock .....				
11 Securities - Partnership, LLC, or trust interests .....				
12 Securities - Miscellaneous .....				
13 Qualified conservation contribution - Historic structures .....				
14 Qualified conservation contribution - Other ...				
15 Real estate - Residential .....				
16 Real estate - Commercial .....				
17 Real estate - Other .....				
18 Collectibles .....				
19 Food inventory .....				
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( TICKETS )	X	2	26,037.	COST TO DONOR
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement .....

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it  
must hold for at least three years from the date of the initial contribution, and which isn't required to be used for  
exempt purposes for the entire holding period? .....

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions? .....

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions? .....

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II.

	Yes	No
30a		X
31	X	
32a	X	
33		

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

Schedule M (Form 990) (2016)

**Part II**

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

SCHEDULE M, LINE 32B:

A BROKER IS USED TO SELL DONATED TICKETS.

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

NAVOS

Employer identification number

91-0848698

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

COMMUNITY SUPPORT - THERAPY, DAY TREATMENT, MEDICATION, AND CASE

MANAGEMENT SERVICES TO THE SEVERELY, PERSISTENTLY MENTALLY ILL.

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

DANCE/MOVEMENT THERAPY, PSYCHODRAMA, POETRY THERAPY, AND PSYCHOSOCIAL

EDUCATION.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

ADULT SERVICES - NAVOS IS RECOGNIZED IN WASHINGTON STATE AS A

PIONEERING AGENCY INCORPORATING RECOVERY CONCEPTS IN CLINICAL PROGRAMS

TO EMPOWER CLIENTS AND PARTNER WITH THEM. AN EVALUATION OF THE CLIENT'S

NEEDS IS MADE INCLUDING ALL ASPECTS OF PRESENT PROBLEMS, FAMILY

HISTORY, MEDICAL/MENTAL HEALTH, AND DESIRED OUTCOMES OF TREATMENT. A

SERVICE PLAN IS THEN DEVELOPED. THE PLAN IDENTIFIES ANY ADVOCACY NEEDED

AND IS PERIODICALLY REVIEWED AND UPDATED BY THE CLIENT AND CLINICAL

STAFF. NAVOS HAS DEVELOPED A SUCCESSFUL TRAINING PROGRAM TO DEVELOP

PEER COUNSELORS, AND RELIES ON THESE COUNSELORS TO HELP CLIENTS ACHIEVE

THE GOALS THEY CHOOSE. NAVOS ALSO PROVIDES SUPPORTED EMPLOYMENT,

DOMESTIC VIOLENCE, AND CHEMICAL DEPENDENCY PROGRAMS FOR ADULTS.

OLDER ADULT SERVICES - INDIVIDUALS 60 AND OLDER ARE HELPED TO LIVE

LIVES THAT ARE AS SATISFYING AND AS INDEPENDENT AS POSSIBLE, DESPITE

THE CHALLENGES MENTAL ILLNESS POSES. NAVOS SERVES POPULATIONS IN

INDIVIDUAL HOMES, AS WELL AS NURSING HOMES, SUPPORTED HOUSING, AND

RESIDENTIAL TREATMENT PROGRAMS.

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

Schedule O (Form 990 or 990-EZ) (2016)

Name of the organization

NAVOS

Employer identification number

91-0848698

EXPENSES \$ 13,297,676. INCLUDING GRANTS OF \$ 0. REVENUE \$ 18,448,101.

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

990 DATA IS COMPILED BY THE FINANCE STAFF, REVIEWED BY CONTROLLER,  
SUBMITTED TO OUTSIDE ACCOUNTING FIRM FOR COMPLETION, REVIEWED BY CONTROLLER  
WHEN COMPLETE, SUBMITTED TO FINANCE AND OPERATIONS COMMITTEE FOR REVIEW,  
SUBMITTED TO FULL BOARD OF DIRECTORS FOR REVIEW AND APPROVAL.

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

EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH BOARD  
DELEGATED POWERS SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH  
PERSONS A) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, B) HAS  
READ AND UNDERSTANDS THE POLICY, C) HAS AGREED TO COMPLY WITH THE POLICY,  
AND D) UNDERSTANDS THAT THE CORPORATION IS A TAX EXEMPT ORGANIZATION AND  
THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE  
PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT  
PURPOSES. THE BOARD IS RESPONSIBLE FOR MAKING SURE PERIODIC REVIEWS OF THE  
SIGNED STATEMENTS ARE DONE AND MAY USE OUTSIDE ADVISORS.

IF A CONFLICT OF INTEREST ARISES, THE INTERESTED PERSON MAY PRESENT TO THE  
BOARD, BUT MUST LEAVE DURING THE DISCUSSION OF AND VOTE ON THE CONFLICT OF  
ISSUE TRANSACTION OR ARRANGEMENT. A DISINTERESTED PERSON OR COMMITTEE IS  
APPOINTED TO INVESTIGATE ALTERNATIVES AND THE BOARD MUST EXERCISE DUE  
DILIGENCE TO DETERMINE IF THE ORGANIZATION CAN OBTAIN A MORE ADVANTAGEOUS  
TRANSACTION OR ARRANGEMENT. REGARDING COMPENSATION, A VOTING MEMBER OF THE  
BOARD WHO RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE  
ORGANIZATION FOR SERVICES IS PRECLUDED FROM VOTING ON COMPENSATION MATTERS.

Name of the organization

NAVOS

Employer identification number

91-0848698

APPROPRIATE DISCIPLINARY AND CORRECTION ACTION MAY BE TAKEN AGAINST  
INTERESTED PERSONS WHO FAIL TO DISCLOSE A CONFLICT OF INTEREST.

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

THE COMPENSATION OF NAVOS' CEO IS ESTABLISHED AND APPROVED BY A  
COMPENSATION COMMITTEE OF INDEPENDENT BOARD MEMBERS. IN DETERMINING  
APPROPRIATE COMPENSATION, THE COMMITTEE ANNUALLY CONSIDERS COMPENSATION  
SURVEYS AND SALARY EXPENSE FOR COMPARABLE ORGANIZATIONS, AS REPORTED ON  
FORM 990. COMPENSATION IS DOCUMENTED USING A WRITTEN EMPLOYMENT CONTRACT  
WHICH IS UPDATED EVERY SIX MONTHS.

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

NAVOS' FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC ON GUIDESTAR'S  
WEBSITE AND BY REQUEST. NAVOS DOES NOT MAKE ITS GOVERNING DOCUMENTS OR  
CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC.

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization

NAVOS

Employer identification number

91-0848698

**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
NAVOS MULTI-TREATMENT CENTER - 45-4031562 2600 SW HOLDEN STREET SEATTLE, WA 98126-3505	LEASING AND IMPROVING REAL ESTATE AND OTHER ASSETS.	WASHINGTON	501(C)(3)	LINE 12A, I	NAVOS	X	

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

Schedule R (Form 990) 2016

**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.

[illegible]

**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.

	Yes	No
<b>1</b> 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?		
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....	<b>1a</b>	X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b>	X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b>	X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	X
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	X
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	X
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	X
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	X
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b>	X
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b>	X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b>	X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b>	X
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	X
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	X
<b>2</b> 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) NAVOS MULTI-TREATMENT CENTER	K	187,702.	CASH PAYMENTS
(2)			
(3)			
(4)			
(5)			
(6)			



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

[illegible]

**Part VII** Supplemental Information.

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

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

OMB No. 1545-1709

► **File a separate application for each return.**► **Information about Form 8868 and its instructions is at** [www.irs.gov/form8868](http://www.irs.gov/form8868) .

**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/efile](http://www.irs.gov/efile), click on Charities & Non-Profits, and click on 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.

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number
File by the due date for filing your return. See instructions.	<b>NAVOS</b>	Employer identification number (EIN) or <b>91-0848698</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>PO BOX 46420</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SEATTLE, WA 98146-0420</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

**BECKY PEVEY**

- The books are in the care of ► **2600 SW HOLDEN STREET - SEATTLE, WA 98126**  
Telephone No. ► **206-933-7189** 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, 2017** , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☒ calendar year **2016** 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>	\$	<b>0.</b>
<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>	\$	<b>0.</b>
<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>	\$	<b>0.</b>

**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

Report of Independent Auditors  
and Consolidated Financial Statements  
with Supplementary Information for

**Navos**

December 31, 2016 and 2015

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## **REPORT OF INDEPENDENT AUDITORS**

Board of Directors  
Navos

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Navos, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the 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 of America; 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 consolidated financial position of Navos as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedules of functional revenues and expenses for the years ended December 31, 2016 and 2015, consolidated schedules of residential treatment and supported housing for the years ended December 31, 2016 and 2015, consolidating statement of financial position - December 31, 2016, consolidating statement of operations - year ended December 31, 2016, and consolidating statement of changes in net assets - year ended December 31, 2016 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Everett, Washington  
April 25, 2017



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**NAVOS****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in thousands)**

<b>ASSETS</b>		
	December 31,	
	2016	2015
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,395	\$ 2,186
Patient service contracts and accounts receivable, net of allowance for doubtful accounts of \$4,385 and \$2,920 in 2016 and 2015, respectively	7,360	7,474
Tenant and other receivables	593	778
Inventory	108	91
Prepaid expenses and deposits	604	594
Current portion of note receivable	2,921	5,841
Total current assets	14,981	16,964
<b>ASSETS LIMITED AS TO USE</b>		
Residual receipts and replacement reserves	454	396
Temporarily restricted cash and cash equivalents	464	584
Permanently restricted cash and cash equivalents	61	61
Temporarily restricted pledges receivable, net of allowance for uncollectibles	14	14
	993	1,055
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Land and land improvements	7,483	7,476
Building and improvements	66,251	66,100
Furniture and equipment	12,231	11,409
Construction in progress	2,442	48
	88,407	85,033
Less accumulated depreciation	20,773	18,060
	67,634	66,973
<b>LEVERAGE LOAN RECEIVABLE</b>	17,206	17,206
<b>BENEFICIAL INTERESTS</b>	4,186	4,162
Total assets	\$ 105,000	\$ 106,360

**NAVOS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in thousands)**

---

**LIABILITIES AND NET ASSETS**

	December 31,	
	2016	2015
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,708	\$ 2,961
Accounts payable - construction	1,090	-
Accrued wages, benefits, and other	3,909	3,246
Deposits	69	64
Current portion of deferred revenue	384	983
Current portion of long-term debt	2,182	955
	<u>10,342</u>	<u>8,209</u>
<b>DEFERRED REVENUE, NET OF CURRENT PORTION</b>	<u>1,648</u>	<u>1,970</u>
<b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>		
Capital lease obligations	532	461
Bank loans, mortgage loans, and bond debt	38,842	43,680
	<u>39,374</u>	<u>44,141</u>
<b>FORGIVABLE AND DEFERRED LOANS, INCLUDING ACCRUED INTEREST</b>	<u>14,312</u>	<u>14,492</u>
<b>Total liabilities</b>	<u>65,676</u>	<u>68,812</u>
<b>NET ASSETS</b>		
Unrestricted	32,775	31,023
Temporarily restricted	2,302	2,302
Permanently restricted	4,247	4,223
	<u>39,324</u>	<u>37,548</u>
<b>Total liabilities and net assets</b>	<u>\$ 105,000</u>	<u>\$ 106,360</u>

**NAVOS****CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands)**

	Years Ended December 31,	
	2016	2015
REVENUES		
Net patient service fees		
Medicare	\$ 2,797	\$ 4,085
State Medicaid and indigent funding	8,080	6,678
Third-party insurance	1,486	2,209
Self-pay	78	221
Net patient service contracts		
King County prepaid health plan	29,651	24,131
King County evaluation & treatment	7,453	6,736
King County carve-out services	6,711	6,522
Other contracts	5,382	5,741
Rent and other revenue	2,803	2,672
Total revenues	64,441	58,995
EXPENSES		
Staff costs	37,779	35,805
Program expenses	2,234	2,214
Subcontract expense	14,365	12,159
Travel and vehicle expense	326	345
Operating expense	2,269	2,178
Facility expense	2,600	2,396
Depreciation and amortization	2,733	2,757
Interest expense	1,149	1,153
Other expense	1,095	1,129
Total expenses	64,550	60,136
Operating loss	(109)	(1,141)
OTHER INCOME		
Contributions released from restriction	-	128
Contributions and investment income	1,612	1,144
Interest income	249	315
Total other income	1,861	1,587
Excess of revenues over expenses	\$ 1,752	\$ 446

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (in thousands)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NET ASSETS, December 31, 2014	\$ 30,577	\$ 1,132	\$ 4,437	\$ 36,146
Excess of revenues over expenses	446	-	-	446
Increase in temporarily restricted net assets	-	1,298	-	1,298
Net assets released from restriction	-	(128)	-	(128)
Unrealized loss on permanently restricted net assets	-	-	(214)	(214)
Change in net assets	446	1,170	(214)	1,402
NET ASSETS, December 31, 2015	31,023	2,302	4,223	37,548
Excess of revenues over expenses	1,752	-	-	1,752
Increase in temporarily restricted net assets	-	-	-	-
Net assets released from restriction	-	-	-	-
Unrealized gain on permanently restricted net assets	-	-	24	24
Change in net assets	1,752	-	24	1,776
NET ASSETS, December 31, 2016	<u>\$ 32,775</u>	<u>\$ 2,302</u>	<u>\$ 4,247</u>	<u>\$ 39,324</u>

**NAVOS****CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)**

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	Years Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,776	\$ 1,402
Adjustments to reconcile change in net assets to cash from operating activities		
Depreciation and amortization	2,733	2,757
Change in beneficial interests	(24)	214
Change in receivables, inventory, and prepaid expenses and deposits	272	(1,194)
Change in payables, accruals and other, and deposits	415	(2,396)
Net cash from operating activities	5,172	783
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in residual receipts and bond project funds	(58)	3
Proceeds from land held for sale	2,920	-
Payments for property, plant, and equipment	(2,304)	(1,562)
Net cash from investing activities	558	(1,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in deferred revenue for purchase of property, plant, and equipment	(921)	(210)
Proceeds from restricted contributions	120	138
Net change in forgivable loans	(180)	(181)
Proceeds from issuance of long-term debt	-	11,152
Repayment of long-term debt	(3,540)	(8,665)
Net cash from financing activities	(4,521)	2,234
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,209	1,458
CASH AND CASH EQUIVALENTS, beginning of year	2,186	728
CASH AND CASH EQUIVALENTS, end of year	\$ 3,395	\$ 2,186

**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 - Description of Organization**

**Organization** - Navos is a private, nonprofit organization incorporated in the state of Washington in 1966 for the purpose of providing mental health services in the greater Seattle area. Navos is dedicated to helping individuals and families attain satisfying lives and give back to their communities despite having to cope with the challenges of serious emotional and mental illnesses. Navos has a history of developing pragmatic answers to the needs of clients who are the most challenging to serve.

The accompanying consolidated financial statements include the accounts of the following commonly controlled, financially interrelated nonprofit corporations:

Navos (formerly known as Highline West Seattle Mental Health)  
Navos Multi-Treatment Center (NMTC)

The entities above are collectively referred to as Navos or the Organization. All significant intercompany balances have been eliminated for purposes of consolidated reporting.

NMTC is a tax-exempt, nonprofit corporation organized to support Navos by leasing and improving real estate and other assets held by or acquired on behalf of Navos. NMTC serves as the operating entity in connection with the New Markets Tax Credit financing (Note 6).

**Principles of consolidation** - The consolidated financial statements include the accounts of Navos and NMTC. All intercompany amounts have been eliminated in consolidation.

**Programs** - The Organization serves adults with severe and persistent mental illness and seriously emotionally disturbed children. Navos provides a spectrum of inpatient and outpatient care to an ethnic-, age-, and gender-diverse population. Navos also serves dually diagnosed people (mental illness with chemical or alcohol dependency) and develops housing for adults with severe and persistent mental illness.

**Adult services** - Navos is recognized in Washington State as a pioneering agency incorporating recovery concepts in clinical programs to empower clients and partner with them. An evaluation of the client's needs is made including all aspects of present problems, family history, medical/mental health, and desired outcomes of treatment. A service plan is then developed. The plan identifies any advocacy needed and is periodically reviewed and updated by the client and clinical staff. Navos has developed a successful training program to develop peer counselors, and relies on these counselors to help clients achieve the goals they choose. Navos also provides supported employment, domestic violence, and chemical dependency programs for adults.

**Older adult services** - Individuals 60 and older are helped to live lives that are as satisfying and as independent as possible, despite the challenges mental illness poses. Navos serves populations in individual homes, as well as nursing homes, supported housing, and residential treatment programs.

## NAVOS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 1 - Description of Organization (continued)

**Child and family services** - Qualified master's-level staff work with children/teens and their families to help overcome situations that harm or disrupt emotional growth (divorce, absent parents, trauma, and economic concerns). Therapists are trained to work with families from diverse cultures and ethnicities. Navos offers a range of therapies including play therapy for younger children, individual and group therapy for older children/teens, and family therapy.

Navos operates a consortium consisting of 22 subcontractors (many youth and family services agencies) to offer Medicaid-funded mental health services throughout King County.

**Residential treatment and supported housing** - Navos has developed and operates residential programs for children, adults, and older adults because treatment of people with severe and persistent mental illness is ineffective without safe and secure housing. Navos owns the facilities in which certain programs are operated, leases other facilities, and rents apartments from commercial landlords where appropriate. County contracts provide the principal source of funding for Navos' residential programs.

**Program for Assertive Community Treatment (PACT)** - Navos provides trans-disciplinary services to adults with mental illness who are transitioning from institutional care, including state and local hospitals and jails. This program offers intensive services with a strong outreach component over a broad geographic section of King County.

**Expanded Community Services (ECS)** - Navos provides an Intensive Community Support and Recovery Program for ECS project participants and other identified clients hospitalized on the Adult Units at Western State Hospital. Navos provides housing and comprehensive, flexible services that increase their chances of remaining in the community.

**Highline Village** - Constructed on the Organization's West Seattle campus, Highline Village is owned and operated to provide housing for the Organization's clients enrolled in the ECS program described above.

**Burien Heights residences** - In 2009, Navos developed 24 townhouse apartments adjacent to its new campus in Burien, Washington. This project was funded with a grant from the state of Washington. The apartments provide housing for clients in the PACT program and are operated under an agreement with the King County Housing Authority.

**HUD apartments** - Three apartment buildings are owned and operated for the purpose of providing subsidized housing for chronically mentally ill, at-risk adults who meet federal preference guidelines for housing assistance. The HUD apartments (Conbela, Lakewood, and Valleywood) operate under HUD regulations governing the change of discontinuation of use, rent charges, and operating methods.

**Behavioral Rehabilitation Services (BRS) residential program** - The BRS residential program is licensed as a group home and provides residential services to children and adolescents.

**Children's Long-Term Inpatient Program (CLIP)** - CLIP serves 15 youth between the ages of 13 to 17 who are experiencing psychiatric symptoms.



**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 - Description of Organization (continued)**

**Inpatient services** - The 24-hour, 7-day-per-week facility, located on Navos' West Seattle campus, cares for persons living with mental illness who are experiencing an acute psychiatric crisis requiring stabilization. The inpatient program is licensed for 76 beds. Thirty-four of these beds are operated as an evaluation and treatment unit under a contract with King County. Navos primarily serves those who are involuntarily committed because they are deemed to be in imminent danger of harm to themselves or others. A structured environment of individual patient evaluation, treatment, and discharge planning takes place with every patient. Along with psychiatric and stabilization services, Navos provides inpatient adjunctive therapies, including therapeutic groups, recreation and activities, art therapy, dance/movement therapy, psychodrama, poetry therapy, and psycho-social education.

**Note 2 - Summary of Significant Accounting Policies**

**Risk management** - Navos maintains claims-made insurance policies that provide contractual tail purchase options to insure against professional and general liability risks. The accompanying consolidated financial statements do not include any loss accruals for exposure to risk in excess of the coverage limits in effect.

**Income taxes** - The Internal Revenue Service has recognized Navos and NMTC as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Generally accepted accounting principles require that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The implementation of this accounting policy had no impact on the consolidated statements of financial position or consolidated statements of operations. Navos does not believe it has any uncertain tax positions.

**Standards of accounting and reporting** - The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

**Use of estimates** - The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** - The Organization considers all highly liquid debt instruments purchased with an average maturity of three months or less to be cash equivalents. Cash and cash equivalents classified as assets whose use is limited are not considered cash and cash equivalents in the consolidated statements of cash flows. Cash in bank deposits may, at times, exceed federally insured limits.

**Property, plant, and equipment** - Property and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Navos capitalizes equipment with a value of \$1,500 or more. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 40 years.

## NAVOS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 2 - Summary of Significant Accounting Policies (continued)

**Limited use assets** - Navos reports assets restricted for use by outside parties as limited use assets, which consist solely of pledges receivable and cash and cash equivalents.

**Net assets** - Navos reports information regarding its consolidated net assets according to three classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets of the restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including assets whose use is limited under indenture agreements with governmental agencies, are reported as part of the unrestricted class.

Temporarily restricted net assets include cash and pledges receivable restricted for the future development of a new facility and for use in programs. All pledges receivable are due within five years. Permanently restricted net assets consist of assets received from the beneficial interests and other contributions.

**Measure of operations** - The consolidated statements of operations include operating income. Changes in unrestricted net assets that are excluded from operating income include unrestricted gifts and contributions, capital project grants, and interest income.

**Net patient service fees** - Net patient service fees are reported at the estimated net realizable amounts from patients and third-party payors for services rendered, including estimated retroactive adjustments under contracts with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

**Net patient service contracts** - Navos has a capitated services contract with the King County prepaid health plan (PHP) to provide comprehensive mental health services to eligible county residents. Under this capitation arrangement, Navos receives a fixed monthly payment per eligible participant.

**Contributions** - Navos recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that restrict the use of the support. However, if restrictions are fully met in the same time period in which the contribution is received, Navos reports the support as unrestricted.

**Expense allocation** - For purposes of the supplementary consolidated schedule of functional revenues and expenses, expenses that are not directly identifiable to a particular program are charged ratably to all programs benefited using management's allocation method.

Total expenses for the Highline Village program, as reported in the supplementary consolidated schedule of residential treatment and supported housing, reflect all expenses directly identifiable to the program and an allocated amount for management and administration equal to 11% of gross receipts as defined by contract.

**Reclassifications** - Certain accounts in the prior-year consolidated financial statements have been reclassified or reallocated for comparative purposes to conform to presentation in the current-year consolidated financial statements.

**NAVOS**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

**Litigation** - From time to time, Navos is involved in litigation arising in the ordinary course of business. Based on consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on Navos' future financial position or results of operations.

**New accounting pronouncements** - In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires debt issuance costs related to a recognized debt liability to be presented in the statement of financial position as a direct deduction from the carrying amount of the related debt liability. The ASU is effective for fiscal years beginning after December 31, 2015.

**Subsequent events** - Subsequent events are events or transactions that occur after the consolidated statements of financial position date but before financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the consolidated statements of financial position date and before the consolidated financial statements are issued.

The Organization has evaluated subsequent events through April 25, 2017, which is the date the consolidated financial statements were issued.

**Deferred revenue** - Deferred revenue, as reported in the liabilities section of the consolidated statements of financial position, includes advance rental payments received from a governmental agency acting as lessee. Deferred revenue is recognized as operating revenue ratably over the 35-year term of the agreement. The balance of deferred revenue from advance rental payments at December 31, 2016 and 2015, was \$60,141 and \$66,197, respectively. \$6,056 was recognized as earned in 2016 and 2015, and is included in rent and other revenue in the consolidated statements of operations. At December 31, 2016 and 2015, deferred revenue includes \$377,992 and \$1,293,387 related to the sale of the Seattle Children's Home property, respectively. The deferred revenue will be recognized over the life of a three-year \$5,800,000 note receivable that was obtained in connection with the sale of the property. Long-term deferred revenue at December 31, 2016 and 2015, also includes \$1,593,927 related to a deferred developer fee in connection with the New Markets Tax Credit financing (Note 6).

**Note 3 - Concentrations of Economic Risk and Significant Estimates**

**Net patient service revenue** - Navos derives a significant percentage of its operating revenue under various government-funded health care programs. The loss or reduction of any one of these government-funded provider contracts could impair Navos' ability to continue operations at current volumes.

# NAVOS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 3 - Concentrations of Economic Risk and Significant Estimates (continued)

The mix of net revenues from all sources was as follows (in percentages):

	2016	2015
King County contracts	78%	74%
Medicare	5%	8%
State Medicaid and indigent funding	14%	14%
Third-party insurance and self-pay	3%	4%
	<u>100%</u>	<u>100%</u>

Tenant subsidies, which support Navos' housing program, represent approximately 60% and 57% of total housing program revenue in 2016 and 2015, respectively.

**Patient service contracts and accounts receivable** - The Organization provides services to its patients, most of whom are local residents and either insured under public programs or indigent. The costs of providing health care services to indigent patients are partially offset by Navos' various contracts with King County, as well as indigent care service fees billed to the state of Washington. The mix of net receivables from contracts, third-party payors, and patients was as follows (in thousands):

	2016	2015
King County contracts	\$ 1,313	\$ 1,758
Medicare	1,681	1,686
State Medicaid and indigent funding	2,874	1,879
Third-party insurance and self-pay	1,492	2,151
	<u>\$ 7,360</u>	<u>\$ 7,474</u>

**Allowance for doubtful accounts** - Navos does not accrue interest on patient and third-party accounts receivable. Navos records an allowance for doubtful accounts on patient and third-party accounts receivable, considering several factors such as historical billing and collections data, changes in payment methodology, changes in contract, payor type, frequency of payments, level of difficulties in collections, population type, future economic conditions, and other factors. Balances are deemed delinquent after 90 days. Receivables past due 90 days or more were approximately \$3,119,000 and \$2,489,000 at December 31, 2016 and 2015, respectively. Balances that are still outstanding after reasonable and customary collection efforts are written off through a charge to the allowance for doubtful accounts and a reduction of accounts receivable.

**Estimated third-party payor settlement** - Payments received from Medicare and other third-party payors are subject to payor review and retrospective adjustment. Separately and in addition to an allowance for doubtful accounts, management accrues estimated retroactive adjustments under contracts with third-party payors. Laws and regulations governing third-party billing and payment are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 3 - Concentrations of Economic Risk and Significant Estimates (continued)**

**Collective bargaining agreements** - At December 31, 2016, Navos had a total of approximately 494 employees. Of this total, approximately 96 are covered by a collective bargaining agreement. Navos' collective bargaining agreement expired on December 31, 2016 and a new agreement is expected to be achieved in due course.

**Beneficial interests** - Navos is named as a beneficiary in two trusts held for the benefit of local nonprofit organizations. The trusts, which are held in perpetuity, are administered by a financial institution and provide earnings distributions to Navos. The earnings are available for general operating purposes. Navos' interest in the trusts' agreements is included in permanently restricted net assets. Navos' interest in gains and losses of the trusts' values is recognized in the consolidated statements of changes in net assets as permanently restricted activities.

**Note 4 - Fair Value Measurements**

Navos applies the authoritative guidance of Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the assets that are measured at fair value on a recurring basis as of December 31, 2016 and 2015, and are categorized using the three levels of the fair value hierarchy:

Fair Value as of December 31, 2016 (in thousands)				
	Level 1	Level 2	Level 3	Total
Assets				
Beneficial interest in perpetual trust	\$ -	\$ -	\$ 4,186	\$ 4,186
Fair Value as of December 31, 2015 (in thousands)				
	Level 1	Level 2	Level 3	Total
Assets				
Beneficial interest in perpetual trust	\$ -	\$ -	\$ 4,162	\$ 4,162

# NAVOS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 4 - Fair Value Measurements (continued)

The table below reconciles the beginning and ending balance (in thousands) for Level 3 assets for the years ended December 31, 2016 and 2015:

	Perpetual Trust
January 1, 2016	\$ 4,162
Unrealized gain	24
December 31, 2016	<u>\$ 4,186</u>
January 1, 2015	\$ 4,376
Unrealized losses	(214)
December 31, 2015	<u>\$ 4,162</u>

The following methods and assumptions were used to estimate the value of each class of assets for which it is practicable to estimate that value.

**Beneficial interest in perpetual trusts** - The fair value of the underlying trusts' assets in the perpetual trusts described in Note 3 is determined using information provided by the financial institution. The fair value of Navos' beneficial interest is determined based on its proportional interest in the fair value of the underlying trusts' assets, which are invested primarily in equity and fixed income securities. Given the perpetual nature of the trusts, Navos will never have the ability to receive trust assets; therefore, it is categorized as a Level 3 fair value measurement.

Management determines the fair value measurement policies and procedures in consultation with third parties. Those policies and procedures are reassessed at least annually to determine whether the current valuation techniques are still appropriate.

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements:

Name	Fair Value	Valuation Technique	Unobservable Inputs	Range of Input Values (Weighted Average)
Perpetual trust	\$ 4,186	Market value	Navos' proportionate share of the trust assets	4.30%–5.24% (4.98%)

**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 5 - Bank Loans, Mortgage Loans, and Bond Debt**

A summary of Navos' mortgage loans and bond debt payable follows (balances in thousands):

	<u>2016</u>	<u>2015</u>
Series 2004 Revenue Bonds, Washington Health Care Facilities Authority, due October 1, 2029, in monthly installments of \$22,631, including interest at rates based on the five-year Treasury constant maturity rate plus 2.50% (3.045% at December 31, 2016), and thereafter as determined by formula on each subsequent reset date. Bonds are secured by all corporate assets including a deed of trust on real estate.	\$ 2,495	2,652
Series 2010 Revenue Bonds, Washington Health Care Facilities Authority, due April 14, 2020, in monthly installments of \$42,057. The bonds bear interest at a rate of 4.52%. Bonds are secured by the same security agreement supporting the Series 2004 bonds.	6,251	6,463
U.S Bank Loan for the Lake Burien property, due April 1, 2022, in monthly installments of \$26,917. Loan bears an interest rate of 4.52%. Loan is secured by a deed of trust on the property.	4,623	4,731
U.S Bank Loan for the Lake Burien property, due December 31, 2017, in monthly installments of \$22,066 and with a final outstanding balance balloon payment on the maturity date. Loan bears an interest rate of 3.06%. Loan is secured by a deed of trust on the property.	1,433	4,518
U.S. Bank Loan for Center of Excellence Project, due on December 29, 2019, in monthly installments of \$7,551. Loan bears an interest rate of 4.37%. Loan is secured by a deed of trust on real estate.	1,126	1,165
U.S. Bank loan for the Brick House property, due August 1, 2021, in monthly installments of \$1,179. Loan bears an interest rate of 4.50%. Loan is secured by a deed of trust on real estate.	147	153
U.S. Bank promissory note, converted from a construction line of credit in 2014, due March 1, 2019, in monthly installments of \$13,342, including interest at 3.95%. Note is secured by all corporate assets.	1,992	2,070
NMTC CDE loans (Note 6).	23,272	23,272
Loan from State of Washington Housing Assistance Program, due in 2033, in annual installments of \$2,045, including 0% interest, secured by Evergreen House.	<u>27</u>	<u>29</u>
	41,366	45,053
Less current portion	2,038	847
Less net unamortized issuance cost	<u>(486)</u>	<u>(526)</u>
	<u>\$ 38,842</u>	<u>\$ 43,680</u>

## NAVOS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 5 - Bank Loans, Mortgage Loans, and Bond Debt (continued)

Maturities of bank loans, mortgage loans, and bond debt payable for the next five years and thereafter are as follows (in thousands):

2017	\$	2,038
2018		641
2019		3,404
2020		5,857
2021		428
Thereafter		<u>28,998</u>
	\$	<u>41,366</u>

**Loan covenants** - Loan agreements with U.S. Bank place limits on the incurrence of additional borrowings and require Navos to maintain its cash accounts with U.S. Bank. The agreements also require that Navos satisfy certain measures of financial performance.

**Line of credit** - At December 31, 2016, Navos had available an open line of credit of \$3,000,000, against which there were \$0 of outstanding draws. Amounts outstanding are payable on demand and accrue interest at an annual rate equal to 2.5% plus the lender's LIBOR rate (3.22% at December 31, 2016). The interest rate will be adjusted each time the prime rate changes. The line of credit is secured by all accounts, instruments, documents, chattel paper, general intangibles, contract rights, investment property, certificates of deposit, deposit accounts, and letter-of-credit rights. The line of credit matures on July 31, 2017.

#### Note 6 - New Markets Tax Credit Financing

In December 2011, Navos entered into financing arrangements with U.S. Bancorp Community Development Corporation (U.S. Bancorp), KCHA New Markets Partner 20, LLC (KCHA), WNC National Community Development Fund 9, LLC (WNC), and NDC New Markets Investments LXVIII, LLC (NDC) to fund a portion of the costs of the construction of a new mental health and wellness center in Burien, Washington (the Burien Heights campus), using the New Markets Tax Credit Program (the New Markets program.) The New Markets program is a program of the Community Development Financial Institutions Fund, a bureau of the United States Treasury. The New Markets program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs.)

In connection with the financing arrangements, Navos loaned \$17,206,030 (the Leverage Loan) to the Navos NMTC Investment Fund, LLC (the Investment Fund,) a wholly owned subsidiary of U.S. Bancorp, which made the qualified investment and received the related tax credits. The note bears interest at 1.075% annually, with interest-only payments during the first 10 years of the 33-year term. The note is recorded as a note receivable in the consolidated statements of financial position as of December 31, 2016 and 2015.



**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 6 - New Markets Tax Credit Financing (continued)**

On December 30, 2011, NMTC borrowed \$23,502,072 from three CDEs established for the purpose of providing funds under the New Markets program (the CDE loans). At December 31, NMTC owed the following amounts to the CDEs (in thousands):

	2016	2015
KCHA (loans A & B)	\$ 9,800	\$ 9,800
WNC (loans C & D)	7,712	7,712
NDC (loans E, F & G)	5,760	5,760
	<u>\$ 23,272</u>	<u>\$ 23,272</u>

Each of the CDE loans has a 33-year term and bears interest at 1.202% annually with interest-only payments for the first 10 years. The disbursement of the proceeds of loan G occurred in 2012 because construction was substantially complete. The loans are secured by NMTC's subleasehold interest in the Burien Heights campus and related clinical systems.

In 2018, U.S. Bancorp may put its interest in the Investment Fund to Navos for a put price of \$1,000. If U.S. Bancorp does not exercise its put right, Navos may call U.S. Bancorp's interest in the Investment Fund for a call price equal to the fair value of that interest.

**Note 7 - Capital Lease Obligations**

Navos leases office equipment under capital leases expiring in various years through 2021. The equipment had a cost of \$1,342,182 and \$1,268,712 and accumulated amortization of \$702,339 and \$973,371 at December 31, 2016 and 2015, respectively. Interest rates on capitalized leases vary from 4.8% to 18.8% and are imputed based on Navos' incremental borrowing rate at the inception of each lease. Future minimum lease payments for the years ending December 31 are as follows (in thousands):

2017	\$ 221
2018	221
2019	181
2020	58
2021	<u>25</u>
Total minimum lease payments	706
Less amount representing interest	<u>(30)</u>
Present value of net minimum lease payments	676
Less current portion	<u>144</u>
	<u>\$ 532</u>

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred. Rent expense incurred of \$556,637 and \$559,281 for 2016 and 2015, respectively, is included in facility expense in the consolidated statements of operations.

# NAVOS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 7 - Capital Lease Obligations (continued)

The following is a schedule by year of future minimum payments required under operating leases as of December 31, 2016, that have initial or remaining noncancelable lease terms in excess of one year (in thousands):

2017	\$	34
2018		34
2019		34
2020		24
2021		24
Thereafter		736
	\$	<u>886</u>

### Note 8 - Forgivable and Deferred Loans

Accrued interest on forgivable loans amounted to \$144,135 and \$131,312 at December 31, 2016 and 2015, respectively. A summary of Navos' forgivable loans is as follows (balances in thousands):

	<u>2016</u>	<u>2015</u>
Refundable advance, Federal Home Loan Bank, subject to a 15-year recorded deed restriction on Highline Village. If terms of the deed restriction are met, the deed restriction is removed on October 19, 2020.	\$ 240	\$ 240
Deferred loan payable, State of Washington Department of Community, Trade and Economic Development, bearing no interest and no repayment for 40 years, secured by P.A.L.s/Link House. Loan is payable if the property is sold, refinanced, or changes its use prior to the end of the 50-year performance of the contract ending in 2042.	120	120
Deferred loan payable, King County, bearing no interest and no repayment for 40 years, secured by Highline Village. If terms of the note are met, the note is forgiven in full on May 20, 2045.	893	893
Deferred loan payable, State of Washington Housing Assistance Program, bearing no interest and no repayment for 50 years, secured by Fairview House. If terms of the note are met, the note is forgiven in full on December 31, 2046.	84	84
Deferred loan payable, State of Washington Department of Community, Trade and Economic Development, bearing no interest and no repayment for 50 years, secured by Hillcrest Apartments. Loan is payable if the property is sold, refinanced, or changes its use prior to November 2048, the performance contract termination date.	459	459

**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 8 - Forgivable and Deferred Loans (continued)**

	<u>2016</u>	<u>2015</u>
Recoverable grant, State of Washington Department of Community, Trade and Economic Development, with no expectation of repayment if the terms and conditions of the contract are met throughout the term of commitment ending June 30, 2049. The amount awarded, plus a proportional share of the appreciated value of the Burien Heights residences property, is payable if the property is sold, refinanced, or changes its use during or prior to the end of the 40-year performance of the contract, or if Navos is materially out of compliance with the terms and conditions of the low-income housing contract that governs the use of the property.	2,108	2,108
Nonrecourse interest-free loan, King County, with payment due October 31, 2059. The funds are to be used for the renovation of the Burien Heights residences. This loan is secured by a deed of trust on real estate. If the county determines Navos to be in default under this contract, King County will also be entitled to the proportionate share of the net appreciated value on the property, if any.	1,483	1,483
Deferred loan payable, City of Seattle Office of Housing, due May 23, 2055 (the maturity date), in annual installments, beginning on June 30, 2008, in an amount equal to 50% of net cash flow for the preceding calendar year, as defined in the loan agreement. Ordinary interest accrues at the rate of 1% simple interest per annum from the date of each advance of loan funds, computed on the outstanding principal balance as it exists from time to time. The outstanding principal balance shall become due in full in the event of default, as defined in the loan documents. After the initial 50-year maturity date, the loan agreement may be extended by one 25-year period, subject to all of the terms and conditions of the loan documents. If the maturity date is extended, and there has been no event of default, the note will be forgiven in an amount equal to 4% of the total principal balance and accrued and unpaid interest obligation outstanding at the original maturity date. Loan is secured by a deed of trust on Highline Village.	1,234	1,234
Deferred rent payable on the RDCC campus, King County, with no expectation of repayment if the terms and conditions of the contract are met throughout the term of commitment ending March 1, 2028. In the event of default on contract terms, the amount payable is the original award of \$235,000 less \$6,714 for each full year the contract has been in effect at the time the default becomes payable.	74	80
Deferred loan payable, King County, bearing no interest and no repayment for 25 years, secured by the Madrona Building. The amount awarded, plus a proportional share of the appreciated value of the Madrona Building property, is payable if the property is sold, refinanced, or changes its use during or prior to January 2022 or if Navos is materially out of compliance with the terms and conditions of the contract that governs the use of the property.	251	251
Deferred loan payable, King County, bearing no interest and no repayment for 50 years, secured by the Madrona Building. If terms of the note are met, the note is forgiven in full on September 15, 2049.	300	300

# NAVOS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 8 - Forgivable and Deferred Loans (continued)

	2016	2015
Deferred loan payable, King County, bearing no interest and no repayment for 50 years, secured by the Madrona Building. The amount awarded, plus a proportional share of the appreciated value of the Madrona Building, is payable if the property is sold, refinanced, or changes its use during or prior to September 2050 or if Navos is materially out of compliance with the terms and conditions of the contract that governs the use of the property.	70	70
Deferred loan payable, State of Washington Department of Social and Health Services, for the McGraw Building bearing no interest and no repayment for 15 years ending in December 2024, unsecured. In the event of default on contract terms, the amount payable is the original prorated award of \$1,358,485 less \$7,547 for each month that the contract has been in effect at the time the default becomes payable.	628	713
Deferred loan payable, State of Washington Department of Commerce, bearing no interest and no repayment for 40 years ending on October 21, 2052, unsecured. The amount awarded, plus a proportional share of the appreciated value of the Cedarstone property, is payable if the property is sold, refinanced, or changes its use prior to the end of the 40-year performance of the contract dated March 30, 2012, or if Navos is materially out of compliance with the terms and conditions of the low-income housing contract.	1,200	1,200
Deferred loan payable, King County Department of Community and Human Services, bearing no interest and no repayment for 40 years ending on February 28, 2063, unsecured. The amount awarded, plus a proportional share of the appreciated value of the Cedarstone property, is payable if the property is sold, refinanced, or changes its use prior to the end of the 50-year performance of the contract dated March 1, 2013, or if Navos is materially out of compliance with the terms and conditions of the low-income housing contract.	1,475	1,475
Deferred loan payable, State of Washington Department of Community, Trade and Economic Development, bearing no interest and no repayment for 50 years, secured by Hillcrest Apartments. Loan is payable if the property is sold, refinanced, or changes its use prior to December 1, 2064, the performance contract termination date.	2,774	2,774
Deferred loan payable, State of Washington Department of Social and Health Services, for the Lake Burien Campus project bearing no interest and no repayment for 15 years ending in December 2025, unsecured. In the event of default on contract terms, the amount payable is the original prorated award of \$1,442,515 less \$8,014 for each month that the contract has been in effect at the time the default becomes payable.	775	877
	<u>\$ 14,168</u>	<u>\$ 14,361</u>

**NAVOS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 9 - Collateralized Property**

The following table sets forth Navos' real property as of December 31, 2016, collateral for the forgivable loans, and the respective dates on which limitations expire (in thousands):

Description	Historical Cost	Date Restrictions Expire
Burien Heights Campus	\$ 7,593	June 30, 2018
Lakewood Apartments	510	April 2023
Conbela Apartments	355	August 2023
Valleywood Apartments	544	September 2025
Endeavor House	162	March 31, 2027
Occidental House	110	March 31, 2027
Evergreen House	139	April 2, 2033
P.A.L.s/Link House	215	March 31, 2046
Fairway House	179	December 31, 2046
Burien Heights Residences	2,108	June 30, 2049
Lake Burien Children's Center	7,943	September 15, 2049
Hillcrest Apartments	880	November 1, 2049
Cedarstone Apartments	2,675	October 31, 2052
Highline Village	2,381	November 1, 2056
Independence Bridge	2,773	December 31, 2064
	<u>\$ 28,567</u>	

**Note 10 - Self Insurance**

Navos began self-insuring for its health care benefits provided to its employees in April 2015. Employee medical and dental claims are paid by the Organization through third-party plan administrators. Employees file their claims with the administrators. The administrators pay the claims out and are reimbursed by the Organization. Expenses for self-insured health care benefits coverage totaled \$2,552,543 and \$1,555,220 for the years ended December 31, 2016 and 2015, respectively. The Organization accrued approximately \$188,308 and \$88,503 at December 31, 2016 and 2015, respectively, for estimated claims incurred prior to year-end and filed with the administrators after year-end.

## NAVOS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 11 - Employee Benefit Plans

Navos maintains a 401(k) plan open to all eligible employees. The plan provides for a 100% match of up to 2% of employee compensation.

Navos is obligated under terms of its collective bargaining agreement to make payments to a union pension fund in the amount of 1.5% of total eligible earnings, plus related surcharges resulting from the plan's underfunded status. Employees who are covered by the collective bargaining agreement may make pre-tax contributions to the Organization's 401(k) plan, but are not eligible for employer match.

The employer contribution totaled \$368,876 and \$350,729 in 2016 and 2015, respectively, and is included in staff costs in the accompanying consolidated financial statements.

#### Note 12 - Charity Care

Charity care, defined by the Washington State Department of Health as inpatient care provided to documented indigent patients and excluding bad debt write-offs, was \$490,960 and \$604,020 for 2016 and 2015, respectively. These amounts are excluded from net patient service fees.

Navos also measures charity care as necessary health care services rendered to medically indigent persons, to the extent that the persons are unable to pay the patient responsibility portion of insured care or are uninsured and otherwise without resources to pay for the care, excluding uncollectible amounts arising from a patient's unwillingness to pay (bad debts).

Navos estimates that the total charity care under this broader definition was as follows:

	<u>2016</u>	<u>2015</u>
Outpatient	\$ 170,376	\$ 254,657
Inpatient	<u>18,468,258</u>	<u>17,563,409</u>
	<u>\$ 18,638,634</u>	<u>\$ 17,818,066</u>

The costs of providing charity care were partially offset by the Organization's various contracts with King County, including the contract for evaluation and treatment services under which the Organization was reimbursed \$7.5 million and \$6.7 million in each year for 2016 and 2015, respectively.

**Note 13 - Burien Heights Campus**

Navos has a 50-year land lease with the Highline School District (the School District) for the Burien Heights campus. The land lease provides that the School District may reclaim the property for use as a school in exchange for a payment equal to the fair market value of the improvements. The School District agreed to waive this right for 10 years. The financing arrangements under the New Markets program described in Note 6 include a sublease/leaseback between Navos and NMTC and, in connection with those arrangements, the School District agreed that if it reclaimed the property after the 10-year waiver, it would pay the lesser of 1) the fair market value of the improvements or 2) the CDE loans secured by the improvements. Navos guaranteed that it would reimburse the School District for any amount required to be paid in excess of the fair market value of the improvements.

**Note 14 - Supplemental Cash Flow Disclosures**

Interest paid (in thousands) for the years ended December 31, 2016 and 2015, was \$1,149 and \$1,153, respectively.

Change in construction accounts payable for the year ended December 31, 2016 was \$1,090.

**Note 15 - HUD Apartments**

Navos developed three apartment projects with financing obtained under Section 202 of the National Housing Act. As required by HUD, these projects were owned by project entities existing separately from Navos. Highline West Seattle Housing Association, Inc. was incorporated in the state of Washington in 1982 to develop and operate Conbela Apartments, a 7-unit property located in Seattle, Washington, and Lakewood Apartments, an 11-unit property located in unincorporated King County, Washington. Highline West Seattle Housing Association - South County, Inc. was incorporated in Washington in 1985 to develop and operate Valleywood Apartments, an 11-unit property located in Auburn, Washington. In April 2010, Navos refinanced the HUD 202 mortgages as part of the Series 2010 Revenue Bonds used through the Washington State Healthcare Facilities Authority. In connection with the refinance, both HUD project entities were formally dissolved by their respective boards on April 26, 2010, and all assets, liabilities, and operations were transferred to Navos.

# NAVOS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 15 - HUD Apartments (continued)

The HUD apartments continue to operate under the terms of the Housing Assistance Plan (HAP) agreements with the HUD Federal Housing Administration and, as such, are subject to a variety of HUD regulations. Summary information regarding the financial position and cash flows related to the properties previously held by the HUD project entities is as follows (in thousands):

	December 31,	
	2016	2015
Cash	\$ 34	\$ 21
Residual receipts and replacement reserves	191	194
Land and land improvements	212	212
Building and improvements	1,246	1,251
Furniture and equipment	188	184
Less accumulated depreciation	<u>(1,305)</u>	<u>(1,276)</u>
Total assets	<u>\$ 566</u>	<u>\$ 586</u>
Accounts payable	\$ 44	\$ 17
Deposits	7	6
HAP offset	12	9
Mortgage loans	<u>764</u>	<u>790</u>
Total liabilities	827	822
Net assets	<u>(261)</u>	<u>(236)</u>
Total liabilities and net assets	<u>\$ 566</u>	<u>\$ 586</u>

  

	Years Ended December 31,	
	2016	2015
Change in net assets	\$ (25)	\$ 64
Depreciation	29	16
Change in working capital	29	(54)
Change in reserves	3	(14)
Change in debt	<u>(23)</u>	<u>(33)</u>
Net change in cash	13	(21)
Cash, beginning of year	<u>21</u>	<u>42</u>
Cash, end of year	<u>\$ 34</u>	<u>\$ 21</u>



## **SUPPLEMENTARY INFORMATION**

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**NAVOS**  
**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	Outpatient and Specialty Health Programs			Residential Treatment and Supported Housing		Support Services		Total All Services
	Adult	Older Adult	Child & Family	Total	Inpatient	Administrative	Development	
<b>REVENUES</b>								
Net patient service fees								
Medicare	\$ 24	\$ 79	\$ -	\$ 103	\$ 7	\$ 2,687	\$ -	\$ 2,797
State Medicaid and indigent funding	112	6	20	138	2	7,940	-	8,080
Third-party insurance	79	93	89	261	1	1,224	-	1,486
Self-pay	1	24	1	26	175	(123)	-	78
Net patient service contracts								
King County prepaid health plan	10,569	4,458	14,343	29,370	281	-	-	29,651
King County evaluation & treatment	-	-	-	-	-	7,453	-	7,453
King County carve-out services	1,396	292	1,308	2,996	3,428	276	11	6,711
Other contracts	780	10	636	1,426	3,731	119	106	5,382
Rent (including tenant subsidies) and other revenue	691	5	7	703	1,926	4	169	2,803
Total revenues	\$ 13,652	\$ 4,967	\$ 16,404	\$ 35,023	\$ 9,551	\$ 19,580	\$ 286	\$ 64,441
<b>EXPENSES</b>								
Staff costs	\$ 5,442	\$ 2,347	\$ 4,074	\$ 11,863	\$ 7,535	\$ 13,154	\$ 4,928	\$ 37,779
Program expenses	351	41	27	419	455	1,359	-	2,234
Subcontract expense	4,811	455	9,094	14,360	-	-	5	14,365
Travel and vehicle expense	35	40	32	107	110	12	96	326
Operating expense	(1,731)	232	705	(794)	1,551	521	931	60
Facility expense	33	53	4	90	1,682	501	299	2,600
Depreciation and amortization	582	-	351	933	460	652	688	2,733
Interest expense	680	-	69	749	90	175	135	1,149
Other expense	70	2	7	79	96	79	767	1,095
Total expenses	\$ 10,273	\$ 3,170	\$ 14,363	\$ 27,806	\$ 11,979	\$ 16,453	\$ 7,849	\$ 64,550
<b>OTHER INCOME</b>	\$ 976	\$ -	\$ 301	\$ 1,277	\$ 183	\$ 10	\$ 48	\$ 1,861

**NAVOS**  
**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	Outpatient and Specialty Health Programs			Residential Treatment and Supported Housing		Support Services		Total All Services
	Adult	Older Adult	Child & Family	Total	Inpatient	Administrative	Development	
<b>REVENUES</b>								
Net patient service fees								
Medicare	\$ 16	\$ 74	\$ -	\$ 90	\$ 19	\$ 3,976	\$ -	\$ 4,085
State Medicaid and indigent funding	316	17	15	348	8	6,322	-	6,678
Third-party insurance	129	53	74	256	1	1,952	-	2,209
Self-pay	(73)	62	33	22	155	44	-	221
Net patient service contracts								
King County prepaid health plan	8,043	3,581	12,257	23,881	250	-	-	24,131
King County evaluation & treatment	-	-	-	-	-	6,736	-	6,736
King County carve-out services	1,430	296	1,333	3,059	3,204	248	11	6,522
Other contracts	1,316	-	720	2,036	3,454	123	128	5,741
Rent (including tenant subsidies) and other revenue	589	-	28	617	1,921	4	130	2,672
Total revenues	\$ 11,766	\$ 4,083	\$ 14,460	\$ 30,309	\$ 9,012	\$ 19,405	\$ 269	\$ 58,995
<b>EXPENSES</b>								
Staff costs	\$ 4,902	\$ 2,166	\$ 4,399	\$ 11,467	\$ 6,592	\$ 12,652	\$ 276	\$ 35,805
Program expenses	356	49	64	469	375	1,364	1	2,214
Subcontract expense	3,938	453	7,763	12,154	-	-	-	12,159
Travel and vehicle expense	28	38	32	98	117	21	2	345
Operating expense	298	59	210	567	253	498	92	2,178
Facility expense	449	13	145	607	965	353	24	2,396
Depreciation and amortization	583	1	361	945	445	690	-	2,757
Interest expense	561	-	169	730	85	176	-	1,153
Other expense	148	-	7	155	90	92	102	1,129
Total expenses	\$ 11,263	\$ 2,779	\$ 13,150	\$ 27,192	\$ 8,922	\$ 15,846	\$ 497	\$ 60,136
OTHER INCOME	\$ 277	\$ -	\$ 499	\$ 776	\$ 432	\$ 3	\$ 364	\$ 1,587

**NAVOS**  
**CONSOLIDATED SCHEDULE OF RESIDENTIAL TREATMENT AND SUPPORTED HOUSING**  
**YEAR ENDED DECEMBER 31, 2016**

	Adult Residential and Supported Housing Programs										BRS Residential Programs for Children & Adolescents		Older Adult Residential Programs				Total							
	PACT		ECS		Highline Village		Burien Heights		HUD Apartments		Other Housing		Total		Midway		High West		Total					
REVENUES																								
Net patient service fees																								
Medicare	\$	-	\$	2	\$	-	\$	-	\$	-	\$	-	2	\$	-	\$	5	\$	5	\$	7			
State Medicaid and indigent funding		-		-		-		-		-		-	-		-		-	2		2	2			
Third-party insurance		-		1		-		-		-		-	1		-		-	-		1	1			
Self-pay		-		-		-		-		-		-	-		-		-	175		175	175			
Net patient service contracts																								
King County prepaid health plan (PHP)	(5)			-		-		-		-		-	(5)		57		229		229		281			
King County evaluation & treatment		-		-		-		-		-		-	-		-		-	-		-	-			
King County carve-out services	1,566			1,193		-		-		-		-	2,759		3		15		651		3,428			
Other contracts	81			-		-		-		-		-	81		3,650		-		-		3,731			
Rent (including tenant subsidies) and other revenue	-			-		153		129		206		970	1,458		365		17		86		1,926			
Total revenues	\$	1,642	\$	1,196	\$	153	\$	129	\$	206	\$	970	\$	4,296	\$	4,075	\$	266	\$	914	\$	1,180	\$	9,551
EXPENSES																								
Staff costs	\$	1,061	\$	746	\$	-	\$	-	\$	82	\$	366	\$	2,255	\$	4,316	\$	250	\$	714	\$	964	\$	7,535
Program expenses	102			5		-		1		10		17	135		200		7		113		120		455	
Subcontract expense		-		-		-		-		-		-	-		-		-		-		-		-	
Travel and vehicle expense	39			13		1		-		-		13	66		37		6		1		7		110	
Operating expense	269			243		-		-		8		6	526		988		19		18		37		1,551	
Facility expense	101			57		71		52		142		589	1,012		570		11		89		100		1,682	
Depreciation and amortization	-			-		61		81		28		138	308		149		3		-		3		460	
Interest expense	-			-		13		-		41		36	90		-		-		-		90		90	
Other expense	-			1		4		1		2		13	21		72		1		2		3		96	
Total expenses	\$	1,572	\$	1,065	\$	150	\$	135	\$	313	\$	1,178	\$	4,413	\$	6,332	\$	297	\$	937	\$	1,234	\$	11,979
OTHER INCOME	\$	1	\$	9	\$	-	\$	-	\$	-	\$	-	\$	10	\$	173	\$	-	\$	-	\$	-	\$	183

**NAVOS**  
**CONSOLIDATED SCHEDULE OF RESIDENTIAL TREATMENT AND SUPPORTED HOUSING**  
**YEAR ENDED DECEMBER 31, 2015**

	Adult Residential and Supported Housing Programs										BRS Residential Programs for Children & Adolescents			Older Adult Residential Programs			Total All Services			
	PACT	ECS	Highline Village		Burien Heights	HUD Apartments		Other Housing		Total	Adolescents	Midway	High West	Total						
REVENUES																				
Net patient service fees																				
Medicare	\$	6	\$	3	\$	-	\$	-	\$	9	\$	-	\$	7	\$	3	\$	10	\$	19
State Medicaid and indigent funding		5		-		-		-		-		-	5		3		-	3		8
Third-party insurance		-		-		-		-		-		-	-		1		-	1		1
Self-pay		-		-		-		-		-		-	-		-		155	155		155
Net patient service contracts																				
King County prepaid health plan (PHP)		-		3		-		-		-		31	3		216		-	216		250
King County evaluation & treatment		-		-		-		-		-		-	-		-		-	-		-
King County carve-out services	1,392			1,141		-		-		-		3	2,533		19	649		668		3,204
Other contracts	35			-		-		-		-		3,419	35		-			-		3,454
Rent (including tenant subsidies) and other revenue	-			-	146	122		122	263	934		1,465	355	20	81		101		1,921	
Total revenues	\$	1,438	\$	1,147	\$	146	\$	122	\$	263	\$	934	\$	4,050	\$	888	\$	1,154	\$	9,012
EXPENSES																				
Staff costs	\$	1,001	\$	716	\$	-	\$	-	9	333	\$	2,059	\$	3,636	\$	246	\$	651	\$	897
Program expenses	60			5		-		-	-	2		67	194		8	106		114		375
Subcontract expense		-		-		-		-	-	-		-	-		-		-	-		-
Travel and vehicle expense	42			24		-		-	-	9		75	34	6	2		8		117	
Operating expense	28			23		-		-	35	9		95	131	8	19		27		253	
Facility expense	2			2	70	50		117	117	553		794	66	14	91		105		965	
Depreciation and amortization	-			-	61	82		21	21	138		302	140	3	-		3		445	
Interest expense	-			-	12	-		-	37	36		85	-	-	-		-		85	
Other expense	-			-	3	1		1	1	8		13	75	-	2		2		90	
Total expenses	\$	1,133	\$	770	\$	146	\$	133	\$	220	\$	1,088	\$	4,276	\$	285	\$	871	\$	8,922
OTHER INCOME	\$	4	\$	9	\$	-	\$	-	\$	-	\$	-	\$	13	\$	-	\$	-	\$	432

**NAVOS**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (in thousands)**  
**DECEMBER 31, 2016**

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	<b>ASSETS</b>			
	Navos	Navos Multi-Treatment Center	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,368	\$ 27	\$ -	\$ 3,395
Patient service contracts and accounts receivable, net of allowance for doubtful accounts of \$4,385	7,360	-	-	7,360
Tenant and other receivables	1,324	128	(859)	593
Inventory	108	-	-	108
Prepaid expenses and deposits	604	-	-	604
Current portion of note receivable	2,921	-	-	2,921
	<u>15,685</u>	<u>155</u>	<u>(859)</u>	<u>14,981</u>
<b>ASSETS LIMITED AS TO USE</b>				
Residual receipts and replacement reserves	454	-	-	454
Temporarily restricted cash	-	464	-	464
Permanently restricted cash	61	-	-	61
Pledges receivable, net of allowance for uncollectibles	14	-	-	14
	<u>529</u>	<u>464</u>	<u>-</u>	<u>993</u>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>				
Land and land improvements	7,483	-	-	7,483
Building and improvements	47,994	-	18,257	66,251
Furniture and equipment	8,753	-	3,478	12,231
Construction in progress	2,442	-	-	2,442
Assets under capital lease	21,735	-	(21,735)	-
				<u>88,407</u>
Less accumulated depreciation	20,773	-	-	20,773
	<u>67,634</u>	<u>-</u>	<u>-</u>	<u>67,634</u>
<b>LEVERAGE LOAN RECEIVABLE</b>	<u>17,206</u>	<u>22,501</u>	<u>(22,501)</u>	<u>17,206</u>
<b>BENEFICIAL INTERESTS</b>	<u>4,186</u>	<u>-</u>	<u>-</u>	<u>4,186</u>
<b>Total assets</b>	<u>\$ 105,240</u>	<u>\$ 23,120</u>	<u>\$ (23,360)</u>	<u>\$ 105,000</u>

**NAVOS**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (in thousands)**

**DECEMBER 31, 2016**

---

**LIABILITIES AND NET ASSETS**

	Navos	Navos Multi-Treatment Center	Eliminations	Total
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 2,636	\$ 931	\$ (859)	\$ 2,708
Accounts payable - construction	1,090	-	-	1,090
Accrued wages, benefits, and other	4,573	-	(664)	3,909
Deposits	69	-	-	69
Current portion of deferred revenue	384	-	-	384
Current portion of long-term debt	2,551	-	(369)	2,182
	<u>11,303</u>	<u>931</u>	<u>(1,892)</u>	<u>10,342</u>
DEFERRED REVENUE, net of current portion	<u>1,648</u>	<u>-</u>	<u>-</u>	<u>1,648</u>
<b>LONG-TERM DEBT, net of current portion</b>				
Capital lease obligations	22,000	-	(21,468)	532
Mortgage loans and bond debt	15,940	22,902	-	38,842
	<u>37,940</u>	<u>22,902</u>	<u>(21,468)</u>	<u>39,374</u>
FORGIVABLE LOANS, including accrued interest	<u>14,312</u>	<u>-</u>	<u>-</u>	<u>14,312</u>
	<u>65,203</u>	<u>23,833</u>	<u>(23,360)</u>	<u>65,676</u>
<b>NET ASSETS</b>				
Unrestricted	33,488	(713)	-	32,775
Temporarily restricted	2,302	-	-	2,302
Permanently restricted	4,247	-	-	4,247
	<u>40,037</u>	<u>(713)</u>	<u>-</u>	<u>39,324</u>
Total liabilities and net assets	<u>\$ 105,240</u>	<u>\$ 23,120</u>	<u>\$ (23,360)</u>	<u>\$ 105,000</u>

**NAVOS**  
**CONSOLIDATING STATEMENT OF OPERATIONS (in thousands)**  
**YEAR ENDED DECEMBER 31, 2016**

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	Navos	Navos Multi-Treatment Center	Eliminations	Total
<b>REVENUES</b>				
Net patient service fees				
Medicare	\$ 2,797	\$ -	\$ -	\$ 2,797
State Medicaid and indigent funding	8,080	-	-	8,080
Third-party insurance	1,486	-	-	1,486
Self-pay	78	-	-	78
Net patient service contracts				
King County prepaid health plan	29,651	-	-	29,651
King County evaluation & treatment	7,453	-	-	7,453
King County carve-out services	6,711	-	-	6,711
Other contracts	5,382	-	-	5,382
Rent and other revenue	2,803	-	-	2,803
Total revenues	<u>64,441</u>	<u>-</u>	<u>-</u>	<u>64,441</u>
<b>EXPENSES</b>				
Staff costs	37,779	-	-	37,779
Program expenses	2,234	-	-	2,234
Subcontract expense	14,365	-	-	14,365
Travel and vehicle expense	326	-	-	326
Operating expense	2,269	-	-	2,269
Facility expense	2,600	-	-	2,600
Depreciation and amortization	2,720	13	-	2,733
Interest expense	1,057	280	(188)	1,149
Other expense	1,070	25	-	1,095
Total expenses	<u>64,420</u>	<u>318</u>	<u>(188)</u>	<u>64,550</u>
Operating income (loss)	<u>21</u>	<u>(318)</u>	<u>188</u>	<u>(109)</u>
<b>OTHER INCOME</b>				
Contributions and investment income	1,612	-	-	1,612
Interest income	249	188	(188)	249
Total other income	<u>1,861</u>	<u>188</u>	<u>(188)</u>	<u>1,861</u>
Excess (deficiency) of revenues over expenses	<u>\$ 1,882</u>	<u>\$ (130)</u>	<u>\$ -</u>	<u>\$ 1,752</u>



**NAVOS**

**CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS (in thousands)**  
**YEAR ENDED DECEMBER 31, 2016**

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	Navos	Navos Multi-Treatment Center	Eliminations	Total
UNRESTRICTED NET ASSETS at December 31, 2015	\$ 31,606	\$ (583)	\$ -	\$ 31,023
Excess (deficiency) of revenues over expenses	<u>1,882</u>	<u>(130)</u>	<u>-</u>	<u>1,752</u>
UNRESTRICTED NET ASSETS at December 31, 2016	<u>33,488</u>	<u>(713)</u>	<u>-</u>	<u>32,775</u>
TEMPORARILY RESTRICTED NET ASSETS at December 31, 2015	2,302	-	-	2,302
Increase in temporarily restricted net assets	-	-	-	-
Net assets released from restriction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TEMPORARILY RESTRICTED NET ASSETS at December 31, 2016	<u>2,302</u>	<u>-</u>	<u>-</u>	<u>2,302</u>
PERMANENTLY RESTRICTED NET ASSETS at December 31, 2015	4,223	-	-	4,223
Unrealized loss on permanently restricted net assets	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>
PERMANENTLY RESTRICTED NET ASSETS at December 31, 2016	<u>4,247</u>	<u>-</u>	<u>-</u>	<u>4,247</u>
TOTAL NET ASSETS	<u><u>\$ 40,037</u></u>	<u><u>\$ (713)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,324</u></u>