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.

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

OMB No. 1545-0047

2017

Open to Public Inspection

A For the 2017 calendar year, or tax year beginning OCT 1, 2017 and ending SEP 30, 2018

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

C Name of organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Doing business as

Number and street (or P.O. box if mail is not delivered to street address): 111 COLCHESTER AVENUE — Room/suite

City or town, state or province, country, and ZIP or foreign postal code: BURLINGTON, VT 05401

D Employer identification number: 03-0219309

E Telephone number: 8028475959

G Gross receipts $ 1,553,990,603.

F Name and address of principal officer: STEPHEN M. LEFFLER
111 COLCHESTER AVENUE, BURLINGTON, VT 05401

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

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

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

J Website: ▶ WWW.UVMHEALTH.ORG/MEDCENTER

H(c) Group exemption number ▶

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

L Year of formation: 1968 **M** State of legal domicile: VT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTH OF THE PEOPLE IN THE COMMUNITIES WE SERVE BY INTEGRATING PATIENT CARE,

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	8412
6	Total number of volunteers (estimate if necessary)	6	742
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	126,757.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	7,087,521.	9,835,116.
	9	Program service revenue (Part VIII, line 2g)	1258237129.	1400109690.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	53,492,775.	23,024,649.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	779,943.	630,956.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1319597368.	1433600411.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	9,147,207.	2,136,248.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	736,307,511.	784,784,478.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 4,641,671.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	447,342,540.	573,692,393.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1192797258.	1360613119.
	19	Revenue less expenses. Subtract line 18 from line 12	126,800,110.	72,987,292.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1580807001.	1676785691.
	21	Total liabilities (Part X, line 26)	687,181,192.	705,751,679.
	22	Net assets or fund balances. Subtract line 21 from line 20	893,625,809.	971,034,012.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date 8/14/2019

▶ RICHARD VINCENT, SVP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PAUL J TANIS		08/14/2019		P01441612

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶ 13-4008324

Firm's address ▶ 101 SEAPORT BLVD.
BOSTON, MA 02210 — Phone no. 617-530-5000

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

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses $ 347,561,624. including grants of $ 676,860.) (Revenue $ 443,617,969.)
INPATIENT SERVICES. FOR MORE INFORMATION, SEE SCHEDULE O.

4b (Code:) (Expenses $ 497,380,615. including grants of $ 968,625.) (Revenue $ 634,842,753.)
OUTPATIENT SERVICES. FOR MORE INFORMATION, SEE SCHEDULE O.

4c (Code:) (Expenses $ 252,002,501. including grants of $ 490,763.) (Revenue $ 321,648,968.)
PROFESSIONAL SERVICES. FOR MORE INFORMATION, SEE SCHEDULE O.

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

4e Total program service expenses ▶ 1,096,944,740.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 537			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 8412			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	X	
b	If "Yes," enter the name of the foreign country: ▶ BERMUDA				
	See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	19		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

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

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

Section C. Disclosure

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

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 [X] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

RICHARD VINCENT - 802-847-2089
111 COLCHESTER AVENUE, BURLINGTON, VT 05401

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): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) DR. JOHN BRUMSTED	8.00									
CEO	42.00	X		X				1,813,087.	0.	213,890.
(2) KATHLEEN (SCOTTIE) EMERY-GINN	2.00									
CHAIR (TILL 1/18)TRUSTEE	2.00	X		X				0.	0.	0.
(3) DR. PAUL DANIELSON	2.00									
TRUSTEE (TIL 12/17)	2.00	X						0.	0.	0.
(4) TIMOTHY DAVIS	2.00									
SECRETARY	2.00	X		X				0.	0.	0.
(5) DR. FREDERICK C. MORIN, III	2.00									
TRUSTEE (TIL 9/18)	2.00	X						0.	0.	0.
(6) JOHN NEUHAUSER, PHD	2.00									
TRUSTEE	0.00	X						0.	0.	0.
(7) PATRICIA PRELOCK, PHD	2.00									
TRUSTEE	0.00	X						0.	0.	0.
(8) ALLIE STICKNEY	2.00									
VICE CHR(TIL 12/17) CHR(AS OF 1/18)	2.00	X		X				0.	0.	0.
(9) PATRICIA DONEHOWER	2.00									
TRUSTEE/VICE CHAIR (AS OF 1/18)	0.00	X		X				0.	0.	0.
(10) DR. VIRGINIA HOOD	2.00									
TRUSTEE	33.00	X						0.	153,668.	19,394.
(11) DR. MARTIN LEWINTER	2.00									
TRUSTEE	33.00	X						0.	105,731.	20,289.
(12) GRETCHEN MORSE	2.00									
TRUSTEE	2.00	X						0.	0.	0.
(13) DR. RUTH UPHOLD	2.00									
TRUSTEE (TIL 12/17)	0.00	X						0.	0.	0.
(14) JOHN DWYER	2.00									
TRUSTEE	0.00	X						0.	0.	0.
(15) JAMES FOSTER	2.00									
TRUSTEE	1.00	X						0.	0.	0.
(16) KERIN STACKPOLE	2.00									
TRUSTEE	0.00	X						0.	0.	0.
(17) THOMAS LITTLE	2.00									
TRUSTEE	0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(18) JOHN EVANS, PHD	2.00									
TRUSTEE (AS OF 1/18)	0.00	X						0.	0.	0.
(19) DR. JOSEPH HAGAN	2.00									
TRUSTEE (AS OF 1/18)	0.00	X						0.	0.	0.
(20) GLEN WRIGHT	2.00									
TRUSTEE	0.00	X						0.	0.	0.
(21) RICHARD J. VINCENT	48.00									
SVP/CFO	2.00			X				558,103.	0.	50,605.
(22) EILEEN WHALEN	44.00									
PRESIDENT AND COO	6.00			X				1,032,809.	0.	45,462.
(23) DR. HOWARD M. SCHAPIRO	10.00									
NETWORK CHIEF CLIN INTEGRA	40.00				X			696,608.	0.	55,784.
(24) SPENCER KNAPP	8.00									
NETWORK GENERAL COUNSEL	42.00				X			691,159.	0.	45,083.
(25) DR. CLAUDE DESCHAMPS	10.00									
PRES/CEO OF UVMHN MG	40.00				X			672,588.	0.	30,275.
(26) TODD KEATING	8.00									
NETWORK CFO	42.00				X			925,390.	0.	28,597.
1b Sub-total ▶								6,389,744.	259,399.	509,379.
c Total from continuation sheets to Part VII, Section A ▶								9,034,048.	336,000.	979,292.
d Total (add lines 1b and 1c) ▶								15,423,792.	595,399.	1488671.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 569

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
THE WHITING-TURNER CONTRACTING COMPANY PO BOX 17596, BALTIMORE, MD 21297	CONSTRUCTION	45,134,079.
CROSS COUNTRY STAFFING INC PO BOX 404674, ATLANTA, GA 30384-4674	TRAVELING NURSING SERVICES	15,607,425.
CUMBERLAND CONSULTING GROUP LLC 720 COOL SPRINGS BLVD, FRANKLIN, TN 37067	HEALTHCARE CONSULTING SERVICES	10,362,093.
FARRINGTON CONSTRUCTION CO 4788 SPEAR STREET, SHELBURNE, VT 05482	CONSTRUCTION	4,198,745.
MAYO MEDICAL LABORATORIES, INC. PO BOX 9146, MINNEAPOLIS, MN 55480-9146	LABORATORY SERVICES	2,806,951.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 181

SEE PART VII, SECTION A CONTINUATION SHEETS

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(27) THERESA ALBERGHINI DIPALMA	13.00									
NETWORK SVP EXTERNAL RELAT	37.00				X			535,316.	0.	46,270.
(28) KEVIN P. MCATEER	25.00									
CHIEF DEVELOPMENT OFFICER	25.00				X			400,438.	0.	41,408.
(29) DOUGLAS A. GENTILE	25.00									
NETWORK CHIEF MEDICAL INFO	25.00				X			470,685.	0.	45,988.
(30) LISA L. GOODRICH	50.00									
VP MEDICAL GROUP OPERATION	0.00				X			408,917.	0.	49,998.
(31) ANNA T. NOONAN	0.00									
NETWORK VP QUALITY & OP EF	50.00				X			191,724.	282,587.	73,067.
(32) MARC STANISLAS	13.00									
NETWORK VP TREASURY &FINAN	37.00				X			344,522.	0.	47,605.
(33) CHARLES M. MICELI	13.00									
NETWORK CHIEF SUPPLY CHAIN	37.00				X			353,473.	0.	48,219.
(34) LAURIE A. GUNN	50.00									
VP HUMAN RESOURCES	0.00				X			408,627.	0.	49,877.
(35) JOHN GRIECO	8.00									
NETWORK CTO AND VP	42.00				X			365,203.	0.	35,169.
(36) JERALD NOVAK	8.00									
NETWORK CHIEF PEOPLE OFFICER	42.00				X			415,661.	0.	21,215.
(37) JEFFREY WASSERMAN	5.00									
EXECUTIVE DIRECTOR UVMHN MG	45.00				X			487,617.	0.	46,358.
(38) DAWN LEBARON	50.00									
VP HOSPITAL SERVICES	0.00				X			343,445.	0.	35,429.
(39) ADAM P. BUCKLEY	13.00									
NETWORK CIO	37.00				X			667,962.	0.	45,337.
(40) DR. STEPHEN M. LEFFLER	22.00									
NETWORK SVP CQO/CPHO	28.00				X			766,705.	0.	50,035.
(41) TODD B. MOORE	0.00									
SVP ACCOUNTABLE CARE & REV	50.00				X			612,424.	0.	49,958.
(42) MARY KATE FITZPATRICK	50.00									
CHIEF NURSING OFFICER	0.00				X			472,593.	0.	37,833.
(43) CHRISTINA OLIVER	50.00									
VP CLINICAL SERVICES	0.00					X		326,186.	0.	49,645.
(44) DR. ERIN M. TSAI	0.00									
PHYSICIAN RADIOLOGY	45.00					X		340,077.	53,413.	33,089.
(45) DR. ANDRE B. GILBERT	45.00									
PHYSICIAN ANESTHESIA	0.00					X		305,359.	0.	43,886.
(46) DR. RICHARD B. WATSON	45.00									
PHYSICIAN ANESTHESIA	0.00					X		305,435.	0.	49,022.
Total to Part VII, Section A, line 1c										

Form 990 THE UNIVERSITY OF VERMONT MEDICAL CENTER 03-0219309

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(47) RAY KELLER	40.00									
DIRECTOR MEDICAL INFORMATICS	0.00					X		295,661.	0.	25,875.
(48) JULIE MORSE	50.00									
VP NURSING	0.00						X	216,018.	0.	54,009.
Total to Part VII, Section A, line 1c								9,034,048.	336,000.	979,292.

732201
04-01-17

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	815,732.			
	d Related organizations	1d	211,268.			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	8,808,116.			
	g Noncash contributions included in lines 1a-1f: $ 3,350,434.					
	h **Total.** Add lines 1a-1f ▶		9,835,116.			
Program Service Revenue		Business Code				
	2a PATIENT SERVICES	900099	1136263674.	1136263674.		
	b FIXED PROSPECTIVE PAYMENTS	900099	116,287,643.	116,287,643.		
	c PATIENT SERVICES - PHARMACY	446110	74,116,798.	74,116,798.		
	d ALL OTHER PROGRAM SERVICES	900099	59,890,635.	59,890,635.		
	e INSTITUTIONAL SERVICES REVENUE	900099	7,046,995.	7,046,995.		
	f All other program service revenue	900099	6,503,945.	6,503,945.		
	g **Total.** Add lines 2a-2f ▶		1400109690.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		15,851,476.		126,757.	15,724,719.
	4 Income from investment of tax-exempt bond proceeds ▶		192,996.			192,996.
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents	1,110,515.				
	b Less: rental expenses	557,262.				
	c Rental income or (loss)	553,253.				
	d Net rental income or (loss) ▶		553,253.			553,253.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	124,158,076.	2,273,665.			
	b Less: cost or other basis and sales expenses	117,797,932.	1,653,632.			
	c Gain or (loss)	6,360,144.	620,033.			
	d Net gain or (loss) ▶		6,980,177.			6,980,177.
	8a Gross income from fundraising events (not including $ 815,732. of contributions reported on line 1c). See Part IV, line 18	a 137,030.				
	b Less: direct expenses	b 381,366.				
	c Net income or (loss) from fundraising events ▶		-244,336.			-244,336.
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a ARBITRAGE REBATE	900099	322,039.			322,039.
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		322,039.			
	12 **Total revenue.** See instructions. ▶		1433600411.	1400109690.	126,757.	23,528,848.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	1,803,109.	1,803,109.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	333,139.	333,139.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	15,575,955.		15,575,955.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	18,088.	18,088.		
7 Other salaries and wages	598,719,528.	499,985,555.	97,617,093.	1,116,880.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	40,556,068.	36,165,049.	4,328,463.	62,556.
9 Other employee benefits	91,529,626.	75,448,363.	15,853,599.	227,664.
10 Payroll taxes	38,385,213.	33,243,060.	5,075,313.	66,840.
11 Fees for services (non-employees):				
a Management				
b Legal	4,003,862.		4,003,862.	
c Accounting	1,049,658.		1,049,658.	
d Lobbying	72,000.		72,000.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	964,833.		964,833.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	67,914,375.	32,722,690.	33,998,963.	1,192,722.
12 Advertising and promotion	1,358,682.	13,755.	1,344,927.	
13 Office expenses	216,133,961.	208,665,013.	7,395,173.	73,775.
14 Information technology	28,098,175.	1,654,159.	26,444,002.	14.
15 Royalties				
16 Occupancy	23,090,359.	15,225,870.	7,645,445.	219,044.
17 Travel	4,758,267.	1,971,224.	2,734,885.	52,158.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	5,445,621.	5,276,085.	163,569.	5,967.
20 Interest	13,668,325.	10,125,779.	3,539,577.	2,969.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	49,241,703.	37,971,195.	11,259,875.	10,633.
23 Insurance	16,894,267.	15,248,474.	1,623,621.	22,172.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROVIDER TAX	69,819,963.	69,819,963.		
b AFFILIATION COMMITMENT	16,354,681.	16,354,681.	0.	0.
c CONTRACT MAINTENANCE	15,564,602.	10,981,925.	4,579,862.	2,815.
d ACADEMIC SUPPORT PAYMEN	14,094,364.	5,119,698.	8,974,666.	
e All other expenses	25,164,695.	18,797,866.	4,781,367.	1,585,462.
25 **Total functional expenses.** Add lines 1 through 24e	1360613119.	1096944740.	259,026,708.	4,641,671.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	47,288,788.	1	1,069,737.
	2	Savings and temporary cash investments	117,117,747.	2	159,307,965.
	3	Pledges and grants receivable, net	4,517,909.	3	4,798,255.
	4	Accounts receivable, net	155,876,730.	4	178,766,185.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	17,576,706.	7	21,528,121.
	8	Inventories for sale or use	26,344,361.	8	29,746,764.
	9	Prepaid expenses and deferred charges	25,602,156.	9	27,015,215.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 1253915068.			
	b	Less: accumulated depreciation — 10b 669,198,065.	496,895,665.	10c	584,717,003.
	11	Investments - publicly traded securities	593,566,996.	11	
	12	Investments - other securities. See Part IV, line 11		12	613,999,002.
	13	Investments - program-related. See Part IV, line 11	38,668,611.	13	43,231,979.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	57,351,332.	15	12,605,465.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1580807001.	16	1676785691.
Liabilities	17	Accounts payable and accrued expenses	155,913,165.	17	169,194,737.
	18	Grants payable	6,421,967.	18	6,259,830.
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	352,589,120.	20	358,702,500.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	138,639,365.	23	132,419,823.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	33,617,575.	25	39,174,789.
	26	**Total liabilities.** Add lines 17 through 25	687,181,192.	26	705,751,679.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	823,710,374.	27	895,731,915.
	28	Temporarily restricted net assets	40,282,077.	28	44,932,538.
	29	Permanently restricted net assets	29,633,358.	29	30,369,559.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	893,625,809.	33	971,034,012.
	34	Total liabilities and net assets/fund balances	1580807001.	34	1676785691.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,433,600,411.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,360,613,119.
3	Revenue less expenses. Subtract line 2 from line 1	3	72,987,292.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	893,625,809.
5	Net unrealized gains (losses) on investments	5	6,256,276.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,835,365.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	971,034,012.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number 03-0219309

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

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

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
3 [X] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 [ ] An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
10 [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
11 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
12 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a [ ] **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
b [ ] **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
c [ ] **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
d [ ] **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
e [ ] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations .....
g Provide the following information about the supported organization(s).

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

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.** 732021 10-06-17 **Schedule A (Form 990 or 990-EZ) 2017**

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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) ..... 14 %

15 Public support percentage from 2016 Schedule A, Part II, line 14 ..... 15 %

16a **33 1/3% support test - 2017.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

b **33 1/3% support test - 2016.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

17a **10% -facts-and-circumstances test - 2017.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b **10% -facts-and-circumstances test - 2016.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2017** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2016** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2017.** 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 - 2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV **Supporting Organizations** *(continued)*

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

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

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

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

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

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

Section D - Distributions		**Current Year**
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions.	
7	**Total annual distributions.** Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions.	
9	Distributable amount for 2017 from Section C, line 6	
10	Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)		**(i) Excess Distributions**	**(ii) Underdistributions Pre-2017**	**(iii) Distributable Amount for 2017**
1	Distributable amount for 2017 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in **Part VI**). See instructions.			
3	Excess distributions carryover, if any, to 2017			
a				
b	From 2013			
c	From 2014			
d	From 2015			
e	From 2016			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2017 distributable amount			
i	Carryover from 2012 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2017 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2017 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in **Part VI.** See instructions.			
6	Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in **Part VI**. See instructions.			
7	**Excess distributions carryover to 2018.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2013			
b	Excess from 2014			
c	Excess from 2015			
d	Excess from 2016			
e	Excess from 2017			

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No. 1545-0047

2017

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
THE UNIVERSITY OF VERMONT MEDICAL CENTER	03-0219309

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.

LHA

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2014	**(b)** 2015	**(c)** 2016	**(d)** 2017	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	0.
d Mailings to members, legislators, or the public?	X		1,134.
e Publications, or published or broadcast statements?		X	0.
f Grants to other organizations for lobbying purposes?		X	0.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		125,763.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	0.
i Other activities?	X		197,903.
j Total. Add lines 1c through 1i			324,800.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

LOBBYING ACTIVITY

SCHEDULE C, PART II-B

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. REGULARLY MONITORS THE WORK OF THE VERMONT STATE LEGISLATURE TO IDENTIFY ISSUES THAT DIRECTLY AFFECT THE ORGANIZATION AND PERIODICALLY WORKS DIRECTLY WITH STATE LEGISLATORS AND OTHERS TO ADVOCATE ON PARTICULAR ISSUES. STAFF EXPENDITURES ASSOCIATED

Part IV **Supplemental Information** *(continued)*

WITH THESE ACTIVITIES ARE REPORTED TO THE STATE SEVERAL TIMES A YEAR AS REQUIRED BY VERMONT LOBBYIST DISCLOSURE LAWS. STAFF ALSO WORK DIRECTLY WITH OUR CONGRESSIONAL DELEGATION (TWO SENATORS AND ONE REPRESENTATIVE) ON SPECIFIC PIECES OF LEGISLATION THAT IMPACT THE ORGANIZATION. THESE EXPENSES ARE REPORTED ON LINE G.

THE ORGANIZATION ALSO BELONGS TO MEMBER ORGANIZATIONS (INCLUDING THE AMERICAN HOSPITAL ASSOCIATION, THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES, THE CHILDREN'S HOSPITAL ASSOCIATION, THE VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS, HEALTHCARE ASSOCIATION OF NEW YORK STATE, LAKE CHAMPLAIN REGIONAL CHAMBER OF COMMERCE, AND THE VT CHAMBER OF COMMERCE) THAT IN TURN HAVE LOBBYING ACTIVITIES. THE PORTION OF DUES ASSOCIATED WITH THOSE LOBBYING ACTIVITIES IS REPORTED ON LINE I, AS IS THE PORTION OF LOBBYING COSTS INCLUDED IN DUES FOR INDIVIDUAL PHYSICIAN MEMBERSHIPS IN THE VERMONT MEDICAL SOCIETY ALONG WITH FEES PAID TO THE LOBBYING FIRM OF NECRASON.

SCHEDULE C, PART II-B, LINE 1D

THE ORGANIZATION ALSO OCCASIONALLY PERFORMS MAILINGS TO MEMBERS, LEGISLATORS, AND THE PUBLIC.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number 03-0219309

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

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

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

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

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

Part II Conservation Easements.

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

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

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

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

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	36,335,521.	33,195,064.	32,294,841.	31,123,368.	29,313,869.
b Contributions	214,155.	280,146.	394,821.	1,336,464.	116,616.
c Net investment earnings, gains, and losses	3,203,413.	3,368,944.	1,703,483.	429,034.	2,340,710.
d Grants or scholarships					
e Other expenditures for facilities and programs	1,391,822.	508,633.	1,198,081.	594,025.	647,827.
f Administrative expenses					
g End of year balance	38,361,267.	36,335,521.	33,195,064.	32,294,841.	31,123,368.

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 ▶ 47.80 %
c Temporarily restricted endowment ▶ 52.20 %

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

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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		24,638,851.		24,638,851.
b Buildings		628,879,944.	307,883,102.	320,996,842.
c Leasehold improvements		61,760,321.	43,836,104.	17,924,217.
d Equipment		375,747,874.	307,652,587.	68,095,287.
e Other		162,888,078.	9,826,272.	153,061,806.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				584,717,003.

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) BENEFICIAL INTEREST IN		
(B) HEALTH NETWORK INVESTMENT		
(C) POOL	613,999,002.	END-OF-YEAR MARKET VALUE
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	613,999,002.	

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ESTIMATED 3RD PARTY SETTLEMENT	18,096,920.
(3) SWAP LIABILITY	7,991,123.
(4) ASSET RETIREMENT OBLIGATION	1,883,240.
(5) POST RETIREMENT HEALTH BENEFIT	4,246,884.
(6) ESTIMATED CLAIMS	6,956,622.
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	39,174,789.

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

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

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

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

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

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

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE FUNDS, AND ALL NET EARNINGS IN ADDITION THERETO, ARE HELD TO BENEFIT CHARITY, EDUCATION, RESEARCH AND CHILDREN'S PROGRAMS.

PART X, LINE 2:

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE UNIVERSITY OF VERMONT HEALTH NETWORK ("UVM HEALTH NETWORK").

THE FINANCIAL STATEMENT FOOTNOTE STATES: UVM HEALTH NETWORK ACCOUNTS FOR RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ACCOUNTING STANDARDS CODIFICATION (ASC) 740 INCOME TAXES, WHICH ADDRESSES

Part XIII Supplemental Information *(continued)*

HOW TO ACCOUNT FOR AND REPORT THE EFFECTS OF TAXES BASED ON INCOME. NO PROVISION FOR UNCERTAIN TAX POSITIONS IS RECORDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ..... ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
CENTRAL AMERICA AND THE CARIBBEAN			PROGRAM SERVICES	SELF INSURANCE	11,005,081.
CENTRAL AMERICA AND THE CARIBBEAN - ANTIGUA & BARBUDA, ARUBA, BAHAMAS,			INVESTMENTS		38,381,449.
3 a Sub-total	0	0			49,386,530.
b Total from continuation sheets to Part I	0	0			0.
c **Totals** (add lines 3a and 3b)	0	0			49,386,530.

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

Schedule F (Form 990) 2017

732071 10-06-17

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ..... ▶

3 Enter total number of other organizations or entities ..... ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of noncash assistance	**(g)** Description of noncash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ..... [X] Yes [ ] No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* ..... [ ] Yes [X] No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* ..... [X] Yes [ ] No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ..... [X] Yes [ ] No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* ..... [ ] Yes [X] No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* ..... [ ] Yes [X] No

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" on Form 990, Part IV, 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.
▶ Go to *www.irs.gov/Form990* **for the latest instructions.**

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

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**			
Total ▶						

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

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

		(a) Event #1 BIG CHANGE ROUNDUP (event type)	(b) Event #2 GALA (event type)	(c) Other events NONE (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	364,042.	588,720.		952,762.
	2 Less: Contributions	358,807.	456,925.		815,732.
	3 Gross income (line 1 minus line 2)	5,235.	131,795.		137,030.
Direct Expenses	4 Cash prizes	0.	0.		
	5 Noncash prizes	0.	0.		
	6 Rent/facility costs	0.	55,853.		55,853.
	7 Food and beverages	0.	102,508.		102,508.
	8 Entertainment	0.	146,309.		146,309.
	9 Other direct expenses	0.	76,696.		76,696.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				381,366.
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				-244,336.

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

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

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

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

b If "No," explain: _____

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

b If "Yes," explain: _____

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

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

13 Indicate the percentage of gaming activity conducted in:

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

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

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

Name ▶

Address ▶

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

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

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

Name ▶

Address ▶

16 Gaming manager information:

Name ▶

Gaming manager compensation ▶ $ _____

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

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

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

Part IV **Supplemental Information.** Provide the 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.

SCHEDULE G, PART II, LINE 11

THE NET INCOME AMOUNT FROM FUNDRAISING EVENTS IS NET OF CHARITABLE CONTRIBUTIONS.

Part IV **Supplemental Information** *(continued)*

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number 03-0219309

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			13211804.	1032578.	12179226.	.90%
b Medicaid (from Worksheet 3, column a)		45,517	243577134	103261060	140316074	10.31%
c Costs of other means-tested government programs (from Worksheet 3, column b)		2,284	11048575.	6353425.	4695150.	.35%
d **Total** Financial Assistance and Means-Tested Government Programs		47,801	267837513	110647063	157190450	11.56%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4442419.		4442419.	.33%
f Health professions education (from Worksheet 5)			82825684.	39638875.	43186809.	3.17%
g Subsidized health services (from Worksheet 6)			29855159.	26024137.	3831022.	.28%
h Research (from Worksheet 7)			113,329.	175,581.	0.	.00%
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2178137.		2178137.	.16%
j **Total.** Other Benefits			119414728	65838593.	53638387.	3.94%
k **Total.** Add lines 7d and 7j		47,801	387252241	176485656	210828837	15.50%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		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	29,823,649.		
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	791,276.		
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	253,931,207.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	310,881,941.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-56,950,734.

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

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

Section C. Collection Practices

		Yes	No
9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

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

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

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, from largest to smallest)
How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 UNIVERSITY OF VERMONT MEDICAL CENTER 111 COLCHESTER AVE BURLINGTON, VT 05401 WWW.UVMHEALTH.ORG 860	X	X	X	X		X	X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group UNIVERSITY OF VERMONT MEDICAL CENTER

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

		Yes	No
Community Health Needs Assessment			
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The significant health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] The process for consulting with persons representing the community's interests			
i [X] The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j [X] Other (describe in Section C)			
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 15			
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X	
7 Did the hospital facility make its CHNA report widely available to the public?	7	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a [X] Hospital facility's website (list url): HTTPS://WWW.UVMHEALTH.ORG/MEDCENTER/DOCUM			
b [ ] Other website (list url):			
c [X] Made a paper copy available for public inspection without charge at the hospital facility			
d [ ] Other (describe in Section C)			
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 16			
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a If "Yes," (list url): WWW.UVMHEALTH.ORG/MEDCENTER/DOCUMENTS/ABOUT-US/IMPLE			
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 UNIVERSITY OF VERMONT MEDICAL CENTER

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	X	
	If "Yes," indicate the eligibility criteria explained in the FAP:			
a	[X] Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 400 %			
b	[ ] Income level other than FPG (describe in Section C)			
c	[X] Asset level			
d	[X] Medical indigency			
e	[X] Insurance status			
f	[X] Underinsurance status			
g	[X] Residency			
h	[ ] Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	X	
15	Explained the method for applying for financial assistance?	15	X	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	[X] Described the information the hospital facility may require an individual to provide as part of his or her application			
b	[X] Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	[X] Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	[ ] Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	[X] Other (describe in Section C)			
16	Was widely publicized within the community served by the hospital facility?	16	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[X] The FAP was widely available on a website (list url): SEE PART V, PAGE 8			
b	[X] The FAP application form was widely available on a website (list url): SEE PART V, PAGE 8			
c	[X] A plain language summary of the FAP was widely available on a website (list url): SEE PART V, PAGE 8			
d	[X] The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	[X] The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	[X] A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	[X] Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h	[X] Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	[X] The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j	[X] Other (describe in Section C)			

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group UNIVERSITY OF VERMONT MEDICAL CENTER

		Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
f ☒ None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			

20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):

- **a** ☒ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs
- **b** ☒ Made a reasonable effort to orally notify individuals about the FAP and FAP application process
- **c** ☒ Processed incomplete and complete FAP applications
- **d** ☒ Made presumptive eligibility determinations
- **e** ☐ Other (describe in Section C)
- **f** ☐ None of these efforts were made

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group UNIVERSITY OF VERMONT MEDICAL CENTER

		Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.			
a [ ] The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period			
b [ ] The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period			
c [X] 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.	23		X
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24		X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 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.

UNIVERSITY OF VERMONT MEDICAL CENTER

PART V, LINE 16A, FAP WEBSITE:

HTTPS://UVMHEALTH.ORG/MEDCENTER/PAGES/PATIENTS-AND-VISITORS/BILLING-INSURAN

UNIVERSITY OF VERMONT MEDICAL CENTER

PART V, LINE 16B, FAP APPLICATION WEBSITE:

HTTPS://UVMHEALTH.ORG/MEDCENTER/DOCUMENTS/PFAP_APPLICATION_REVISED_MAR_9_20

UNIVERSITY OF VERMONT MEDICAL CENTER

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

HTTPS://WWW.UVMHEALTH.ORG/MEDCENTER/DOCUMENTS/PFAP_SUMMARY_052015.PDF

PART V, SECTION B, LINES 5 AND 6B

UVM MEDICAL CENTER TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENT THE COMMUNITY WE SERVE IN MANY DIFFERENT WAYS.

THE 2016 ASSESSMENT WAS PLANNED IN COLLABORATION WITH THE FOLLOWING COMMUNITY PARTNERS: CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION, COMMUNITY HEALTH CENTERS OF VERMONT, HOWARD CENTER, ONECARE VERMONT, UNITED WAY OF NORTHEAST VERMONT, VERMONT DEPARTMENT OF HEALTH, AND THE VISITING NURSE ASSOCIATION OF CHITTENDEN AND GRAND ISLE COUNTIES.

A COMMUNITY SURVEY WAS ADMINISTERED ONLINE DURING THE TWO YEAR PERIOD PRIOR TO ITS PUBLICATION. 1,556 SURVEYS WERE COMPLETED BY ADULT RESIDENTS OF CHITTENDEN AND GRAND ISLE COUNTIES. PAPER SURVEYS WERE

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.

DISTRIBUTED WITH TRANSLATED SURVEYS MADE AVAILABLE AT SIX ESL CLASSES IN COLLABORATION WITH THE VERMONT REFUGEE RESETTLEMENT PROGRAM. INTERVIEWS WITH TWENTY SEVEN COMMUNITY LEADERS WERE COMPLETED. LEADERS WERE ASKED QUESTIONS ABOUT THEIR VISION FOR A HEALTHY COMMUNITY, ASSETS AND CHALLENGES IN THEIR COMMUNITY, AND BARRIERS TO HEALTH. LEADERS WERE SELECTED BASED ON VARIOUS AGE GROUPS SERVED (SENIORS, CHILDREN, FAMILIES), AS WELL AS A MIX OF SUBJECT AREAS (LOW-INCOME, REFUGEES, MENTAL HEALTH, SUBSTANCE ABUSE). LEADERS REPRESENTED LOCAL AND STATE GOVERNMENT (AGENCY OF HUMAN SERVICES, DEPARTMENT OF HEALTH, DISTRICT ATTORNEY AND MAYOR OF BURLINGTON), YOUTH ORGANIZATIONS (BOYS & GIRLS CLUB, KIDSAFE COLLABORATIVE, SPECTRUM YOUTH), HEALTH CARE PROVIDERS (UVM MEDICAL CENTER, COMMUNITY HEALTH CENTERS OF BURLINGTON), SENIOR ORGANIZATIONS (C.I.D.E.R., AGE WELL), HOUSING AND HOMELESSNESS (CHAMPLAIN HOUSING TRUST, COTS), LGBTQ COMMUNITY (PRIDE CENTER OF VERMONT), MENTAL HEALTH AND SUBSTANCE ABUSE (HOWARD CENTER, NORTHWESTERN COUNSELING), AND BUSINESS (CHAMBER OF COMMERCE). ADDITIONALLY, A COMMUNITY BREAKFAST WAS HELD WITH 92 COMMUNITY LEADERS ATTENDING FOR IN-DEPTH DISCUSSIONS ON COMMUNITY NEEDS. IN ADDITION, A FOCUS GROUP OF 15 COMMUNITY MEMBERS, PRIMARILY WITH LOWER INCOME LEVELS, WAS CONVENED.

PART V, SECTION B, LINE 3J

APPENDIX K OF THE 2016 CHNA DESCRIBES IN DETAIL A NUMBER OF ONGOING PROGRAMS AND ONE TIME FUNDING THAT HAS OCCURRED AS A RESULT OF THE 2013 CHNA PROCESS. SIGNIFICANT INVESTMENT HAS OCCURRED, AND ALTHOUGH IT TAKES TIME TO EVALUATE WHETHER OR NOT ACTIONS ARE MOVING THE NEEDLE ON ISSUES, THE ORGANIZATION FIRMLY BELIEVES THAT THE ACTIONS TAKEN AND

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.

FUNDING PROVIDED HAVE HAD A POSITIVE IMPACT ON THE COMMUNITY.

PART V, SECTION B, LINE 11

UVM MEDICAL CENTER'S 2016 CHNA IMPLEMENTATION STRATEGY PRIORITIZED THE FOLLOWING NINE COMMUNITY NEEDS: ACCESS TO HEALTHY FOOD, AFFORDABLE HOUSING, CHRONIC CONDITIONS, EARLY CHILDHOOD AND FAMILY SUPPORTS, HEALTHY AGING, MENTAL HEALTH, ORAL HEALTH, REMOVING BARRIERS TO CARE, AND SUBSTANCE ABUSE. NEEDS ARE BEING ADDRESSED THROUGH A HOSPITAL-WIDE INTERNAL COMMITTEE, FUNDING TO EXTERNAL ORGANIZATONS ENGAGED IN SELECTED PRIORITY NEEDS, COLLABORATION ON COMMUNITY-WIDE COALITIONS AND INITIATIVES, ONGOING PROGRAMS THAT ADDRESS NEEDS, AND INTERNAL STRATEGIC ALIGNMENT.

TWO COMMUNITY NEEDS WERE IDENTIFIED IN THE 2016 ASSESSMENT THAT WERE NOT INCLUDED IN THE IMPLEMENTATION STRATEGY; ECONOMIC OPPORTUNITIES AND SEXUALLY TRANSMITTED INFECTIONS AND TEEN BIRTHS. ALTHOUGH UVM MEDICAL CENTER'S ROLE AS A MAJOR ECONOMIC ENGINE WITHIN THE COMMUNITY IS ACKNOWLEDGED, THE STEERING COMMITTEE DECIDED THAT THE MEDICAL CENTER COULD MORE EFFECTIVELY LEAD THE FOCUS ON OTHER HEALTH-RELATED IDENTIFIED NEEDS. AS FOR STIS AND TEEN BIRTHS, THE GROUP AGREED THAT ALTHOUGH THE TREND IS MOVING IN A NEGATIVE DIRECTION, IT REPRESENTS A SMALL PERCENTAGE OF THE POPULATION AND OTHERS IN THE COMMUNITY ARE ADDRESSING THIS NEED.

PART V, PART B, LINE 15E

WHILE THE ASSISTANCE POLICY DOES NOT PROVIDE A LIST OF "EXTERNAL" CONTACT INFORMATION FOR NON UVM MEDICAL CENTER PARTIES OR AGENCIES WHO

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.

MAY ASSIST PATIENTS IN THE APPLICATION PROCESS, APPLICATION COMPLETION AID IS WELL PUBLISHED WITH MULTIPLE INTERNAL, ORGANIZATIONAL AND UVM MEDICAL CENTER COMMUNITY HEALTH ASSISTANCE TEAM MEMBERS AVAILABLE TO ASSIST OUR PATIENTS. IT IS ALSO IMPORTANT TO NOTE, PATIENTS ARE REVIEWED IN ADVANCE OF SERVICE FOR POTENTIAL HARDSHIP; THE UNINSURED AND UNDERINSURED PATIENTS WHO ARE IDENTIFIED ARE ACTIVELY COUNSELED WITH HELP FOR GOVERNMENT AND EXCHANGE PROGRAMS AS WELL AS ASSISTANCE IN THE UVM MEDICAL CENTER FINANCIAL ASSISTANCE PROGRAM.

PART V, SECTION B, LINE 16J:

IN ADDITION TO POSTING OUR GUIDELINES AND PLAIN LANGUAGE SUMMARY ONLINE, AT THE TIME OF SERVICE, REGISTRATION AND CHECK-IN STAFF PROVIDE A COPY OF THE PLAIN LANGUAGE SUMMARY TO ALL PATIENTS WHO HAVE OR WILL HAVE A BALANCE AND TO THOSE WHO EXPRESS FINANCIAL HARDSHIP. ADDITIONALLY, PLAIN LANGUAGE SUMMARIES ALONG WITH RACK CARDS REFERENCING OUR ASSISTANCE PROGRAM ARE PLACED IN ALL REGISTRATION WAITING ROOMS. FROM REGISTRATION, PATIENTS ARE ROUTINELY REFERRED TO OUR FINANCIAL ADVOCACY DEPARTMENT OR COMMUNITY HEALTH IMPROVEMENT. BOTH AREAS PROVIDE KNOWLEDGE AND ASSISTANCE IN THE APPLICATION PROCESS FOR CHARITY AND OTHER APPLICABLE FUNDING SOURCES. ADVOCATES ACTIVELY EDUCATE ALL INPATIENT, OBSERVATION AND OUTPATIENT INVASIVE SERVICE PATIENTS OF OUR PROGRAM, PRIOR TO OR CONCURRENT WITH THE PATIENTS' STAY, SUBSEQUENTLY AIDING IN THE APPLICATION PROCESS FOR STATE AID AND UVM MEDICAL CENTER'S FINANCIAL PROGRAM.

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? 6

Name and address	Type of Facility (describe)
1 UVM MEDICAL CENTER DIALYSIS S BURLINGT 35 JOY DRIVE SOUTH BURLINGTON, VT 05403	DIALYSIS
2 UVM MEDICAL CENTER DIALYSIS RUTLAND 160 ALLEN STREET RUTLAND, VT 05701	DIALYSIS
3 UVM MEDICAL CENTER DIALYSIS BERLIN 130 FISHER ROAD BERLIN, VT 05602	DIALYSIS
4 UVM MEDICAL CENTER DIALYSIS ST ALBANS 7-8 CREST ROAD ST ALBANS, VT 05478	DIALYSIS
5 UVM MEDICAL CENTER DIALYSIS BURLINGTON 111 COLCHESTER AVE BURLINGTON, VT 05401	DIALYSIS
6 UVM MEDICAL CENTER DIALYSIS NEWPORT 189 PROUTY DRIVE NEWPORT, VT 05855	DIALYSIS

Part VI Supplemental Information

Provide the following information.

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

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

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

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

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

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

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

PART I, LINE 3C:

TO QUALIFY FOR FINANCIAL ASSISTANCE, AN ELIGIBLE PATIENT MUST PASS BOTH AN INCOME AND ASSETS TEST. INCOME IS SET AT A MAXIMUM OF 400% FPLG AND THE ASSETS TEST IS SET AT 400% OF THE VERMONT MEDICAID ASSISTANCE RESOURCE MAXIMUM-HOUSEHOLD, PUBLISHED BY THE VERMONT DEPARTMENT OF CHILDREN & FAMILIES. WHEN ASSETS EXCEED 400%, THE APPLICATION IS DENIED. IF THEY DO NOT EXCEED, ASSISTANCE IS GRANTED BASED UPON THE PATIENT'S INCOME FPLG.

PART I, LN 7 COL(F):

THE PROVISION FOR BAD DEBT INCLUDED ON FORM 990, PART IX, LINE 25 BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE AMOUNT REPORTED ON LINE 7(F) IS $0. ALL PATIENT RELATED BAD DEBT IS SHOWN AS A DEDUCTION FROM PATIENT REVENUE.

PART I, LINE 7

UVM MEDICAL CENTER UTILIZED THE AXIOM COST ACCOUNTING SYSTEM TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE ON LINE 7. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS, INCLUDING, BUT NOT

Part VI Supplemental Information *(Continuation)*

LIMITED TO, INPATIENT, OUTPATIENT, EMERGENCY ROOM, PRIVATE INSURANCE, MEDICAID, MEDICARE, UNINSURED AND SELF PAY. THE COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2 WAS ALSO UTILIZED FOR SOME OF THE FIGURES REPORTED IN THE TABLE ON LINE 7.

THE UNIVERSITY OF VERMONT MEDICAL CENTER'S ANNUAL MEDICAID PROVIDER TAX IS ASSESSED ON VERMONT ACUTE CARE HOSPITALS BY THE STATE OF VERMONT. THE TAX ASSESSMENT IS CALCULATED AS 6% OF A HOSPITAL'S BASE YEAR NET PATIENT CARE REVENUE.

PART III, LINE 2:

UVM MEDICAL CENTER'S FINANCIAL STATEMENTS INCLUDE A FOOTNOTE DESCRIBING BAD DEBT EXPENSE. RECEIVABLES ARE REPORTED NET OF AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. THE PROVISION FOR PATIENT RELATED BAD DEBTS IS REPORTED AS A DEDUCTION FROM GROSS REVENUE. THIS EXPENSE IS DETERMINED AS A PERCENTAGE OF GROSS PATIENT SERVICE REVENUE BASED ON ACTUAL WRITE-OFF HISTORY, REVIEWED ON A QUARTERLY BASIS AND ADJUSTED ON A SEMI-ANNUAL BASIS.

PART III, LINE 3:

THE AMOUNT OF BAD DEBT REPORTED ON PART III, LINE 2 REPRESENTS THE TOTAL PROVISION FOR BAD DEBT ON THE INCOME STATEMENT. DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE NETTED AGAINST THE TOTAL GROSS CHARGES WHEN DETERMINING BAD DEBT EXPENSE. THE $791,296 REFLECTS THE ADJUSTED BAD DEBT EXPENSE FOR ALL PATIENTS WHO SUBMITTED AN INITIAL APPLICATION, HOWEVER, UPON FOLLOW-UP DID NOT RESPOND TO REQUESTS FOR ADDITIONAL INFORMATION OR SUPPORTING DOCUMENTATION. UVM MEDICAL CENTER HAS A DATABASE WHICH TRACKS ALL APPLICATIONS AND THEIR STATUS; A QUERY EXTRACTED ALL INCOMPLETE/NON

Part VI Supplemental Information *(Continuation)*

RESPONSIVE ARCHIVED APPLICATIONS PROVIDING A LIST OF PATIENTS & DEPENDENTS. SUBSEQUENTLY, A QUERY OF ASSOCIATED PATIENT SERVICES FROM 10/1/17-9/30/18 FOR "SELF-PAY" AND COLLECTION ACCOUNTS WAS EXTRACTED FROM THE BILLING SYSTEM.

UVM MEDICAL CENTER ATTEMPTS TO ENSURE THAT CONSPICUOUS DISPLAY OF OUR FINANCIAL ASSISTANCE POLICY APPEARS THROUGHOUT OUR FACILITY.

PART III, LINE 4:

THE ORGANIZATION'S BAD DEBT EXPENSE IS ADDRESSED ON PAGES 46-47, IN FOOTNOTE 19 OF ITS MOST RECENT AUDITED FINANCIAL STATEMENTS.

PART III, LINE 8:

THE AMOUNT REPORTED IN PART III, LINE 6, MEDICARE ALLOWABLE COSTS OF CARE, IS DERIVED FROM UVM MEDICAL CENTER'S FYE 9/30/18 MEDICARE COST REPORT, WORKSHEET D-1, COMPUTATION OF INPATIENT OPERATING COSTS, WORKSHEET E PART B, CALCULATION OF OUTPATIENT SETTLEMENT, AND WORKSHEET I-4, COMPUTATION OF AVERAGE COST PER TREATMENT FOR OUTPATIENT RENAL DIALYSIS. WHILE UVM MEDICAL CENTER HAS HISTORICALLY FOLLOWED THE CATHOLIC HOSPITAL ASSOCIATION'S GUIDANCE AND HAS NOT CONSIDERED ANY MEDICARE SHORTFALL (REPORTED IN PART III, LINE 7) AS A COMMUNITY BENEFIT, IT IS LIKELY THAT SOME PORTION OF MEDICARE PATIENTS WOULD HAVE QUALIFIED FOR CHARITY CARE UNDER OUR POLICIES IN THE ABSENCE OF MEDICARE COVERAGE, SUCH THAT SHORTFALLS ASSOCIATED WITH THOSE PATIENTS WOULD OTHERWISE HAVE BEEN INCLUDED IN OUR COMMUNITY BENEFITS.

PART III, LINE 9B:

THE UVM MEDICAL CENTER CREDIT AND COLLECTIONS POLICY IS DETACHED IN TERMS

Part VI Supplemental Information *(Continuation)*

OF WHETHER PATIENTS QUALIFY FOR ASSISTANCE. INVOICES OF PATIENTS WHO DO QUALIFY OR ARE KNOWN TO QUALIFY WILL NOT AGE TO COLLECTIONS. BALANCES THAT REMAIN UNPAID AFTER THE APPROPRIATE DISCOUNT HAS BEEN ADJUSTED WILL AGE TO COLLECTIONS.

AN EXTENSION OF UP TO 120 DAYS CAN BE GRANTED IN THE COLLECTION AGENCY WINDOW WHEN PATIENTS APPLY AND ARE APPROVED FOR ASSISTANCE WITHIN THE APPLICATION WINDOW.

THE COLLECTION PROCESS IN PLACE AT UVM MEDICAL CENTER INCLUDES GENERATION OF MONTHLY STATEMENTS, FOLLOWED BY A PRE-COLLECTION LETTER OVER THE COURSE OF 120 DAYS. IN THE CASE OF UNDELIVERABLE MAIL, EFFORTS WILL BE MADE TO REACH THE PATIENT BY TELEPHONE. IF A NEW BILLING ADDRESS IS OBTAINED, THE 120 DAY WINDOW WILL BEGIN AGAIN. IF NO CONTACT CAN BE MADE AND PAYMENT IS NOT RECEIVED WITHIN THE REVISED 120 DAY WINDOW, THE ACCOUNT WILL BE REFERRED TO A COLLECTION AGENCY. IF CONTACT IS MADE, THE PATIENT WILL BE OFFERED A BUDGET PLAN. ALL STATEMENTS, LETTERS AND CONTACT WILL INCLUDE THE FACT THAT FINANCIAL ASSISTANCE IS AVAILABLE.

SCHEDULE H PART V:

IN ADDITION TO THE FACILITIES OPERATED BY THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) LISTED IN SECTION A AND SECTION D, UVM MEDICAL CENTER OPERATES 30 ADDITIONAL CLINIC SITES AROUND ITS SERVICE AREA. EACH OF THESE SITES IS COVERED UNDER THE UVM MEDICAL CENTER HOSPITAL LICENSE. ALL LISTED OR NON-LISTED FACILITIES OPERATED BY UVM MEDICAL CENTER OR ITS SUBSIDIARIES FOLLOW ALL OF THE SAME POLICIES AND PROCEDURES AS THE UVM MEDICAL CENTER.

Part VI Supplemental Information *(Continuation)*

PART VI, LINE 2:

NEEDS ASSESSMENT: UVM HEALTH NETWORK AND UVM MEDICAL CENTER WORK DILIGENTLY TO ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITIES WE SERVE. THE CREATION OF THE NETWORK STRATEGIC PLAN INCLUDES COMMUNITY AS ONE OF THREE PILLARS. GATHERING INFORMATION FOR THIS PILLAR INVOLVES QUERYING KEY LEADERS AND BOARD MEMBERS OF EACH OF OUR ORGANIZATIONS REGARDING THE MOST PRESSING NEEDS THEY HAVE BECOME AWARE OF IN THE COURSE OF THEIR WORK. INFORMATION MAY COME FROM CIRCUMSTANCES ENCOUNTERED, KNOWLEDGE OF THE STATE OF THE COMMUNITY, WORK WITH LOCAL AND STATE OFFICIALS, AND THE EFFORTS OF LOCAL AGENCIES, TO NAME A FEW. THE KNOWLEDGE GAINED FROM THIS PROCESS IS USED TO CREATE THE NETWORK'S STRATEGIC PLAN WHICH THEN IS FURTHER REFINED FOR THE MEDICAL CENTER SPECIFICALLY. THE STRATEGIC PLAN BECOMES THE BACKDROP AGAINST WHICH ALL WORK FOR THE NEXT YEAR IS ASSESSED.

PART VI, LINE 3:

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE: UVM MEDICAL CENTER UTILIZES A VARIETY OF METHODS TO INFORM, EDUCATE AND ASSIST PATIENTS IN IDENTIFYING PAYMENT SOURCES, INCLUDING STATE / FEDERAL PROGRAMS AS WELL AS OUR PATIENT ASSISTANCE PROGRAM.

INFORM & EDUCATE:

PATIENT EDUCATION IS PROVIDED ACROSS THE CONTINUUM OF CARE. PATIENT BENEFIT ADVISORS, FINANCIAL ADVOCATES, REGISTRARS, CASE MANAGERS, SOCIAL WORKERS AND CUSTOMER SERVICE REPRESENTATIVES ACTIVELY INFORM AND EDUCATE PATIENTS ON THE PROGRAM, GUIDELINES, REQUIREMENTS FROM:

- PRE-ARRIVAL SCREENING/REGISTRATION TO POINT OF SALE EDUCATION AT REGISTRATION
- AT THE BEDSIDE OF AN INPATIENT OR OBSERVATION PATIENT

Part VI Supplemental Information *(Continuation)*

- AFTER DISCHARGE WITH CONTINUED FOLLOW-UP BY FINANCIAL ADVOCATES AND

- DURING THE SELF-PAY BILLING FOLLOW-UP PROCESS.

PATIENTS ARE INFORMED OF THE PROGRAM, APPLICATIONS AND ASSISTANCE WITH COMPLETION ARE PROVIDED WITH FINANCIAL ADVOCATES ALSO PROVIDING EDUCATION AND ASSISTANCE FOR MEDICAID AND HEALTH INFORMATION EXCHANGE PROGRAMS, ALONG WITH ASSISTANCE IN APPLYING FOR THE UVM MEDICAL CENTER FINANCIAL ASSISTANCE PROGRAM. PATIENTS ARE ROUTINELY REFERRED TO ADVOCATES AND ADVISORS IN ADVANCE OF SERVICE WITH ADVOCATES ACTIVELY ASSISTING PATIENTS WHO ARE ADMITTED TO THE ORGANIZATION URGENTLY OR EMERGENTLY. POLICIES, SUMMARIES AND APPLICATIONS ARE AVAILABLE AT ALL REGISTRATION LOCATIONS, THEY ARE REFERENCED IN ALL INTERVIEW PROCESSES AND FURTHER AVAILABLE IN THE WAITING AREAS. OUR ORGANIZATIONAL WEBSITES PROVIDE EDUCATION, APPLICATIONS, POLICIES, SUMMARIES, FAQ DOCUMENTS ALONG WITH CONTACT INFORMATION AS A PASSIVE MEANS OF COMMUNICATION IN ADDITION TO THE ACTIVE EDUCATION REFERENCED PREVIOUSLY. OUR BILLING STATEMENTS REFLECT FINANCIAL ASSISTANCE HELP AND OUR COMMUNITY BENEFIT TEAM EDUCATE WITHIN THE COMMUNITY ON OUR PROGRAMS. APPLICATIONS AND INFORMATION ARE ADDITIONALLY AVAILABLE IN THE LOCAL COMMUNITY HEALTH CENTERS.

ASSIST:

-ALL INPATIENT AND OUTPATIENT PROCEDURES ARE FINANCIALLY SCREENED TO IDENTIFY THE UNDERINSURED OR UNINSURED PATIENT POPULATION. PRIOR TO SERVICE, CONCURRENT WITH SERVICE AND POST SERVICE, OUR PATIENT FINANCIAL COUNSELORS WILL CALL AND/OR MEET WITH PATIENTS AND FAMILIES TO EDUCATE THEM ON THE AVAILABLE PROGRAMS AND WHERE APPLICABLE, ASSIST IN THE APPLICATION PROCESS. THIS INCLUDES STATE AND FEDERAL AID APPLICATIONS AND THE UVM MEDICAL CENTER CHARITY APPLICATION PROCESS.

- OUR FINANCIAL COUNSELORS/ADVOCATES HAVE BEEN CERTIFIED AS ASSISTERS IN THE STATE OF VT AND WILL ADDITIONALLY AID PATIENTS IN THE APPLICATION

Part VI Supplemental Information *(Continuation)*

PROCESS FOR HEALTH EXCHANGE INSURANCE, MEDICAID AND THE FINANCIAL ASSISTANCE PROGRAMS. COUNSELORS WILL ADDITIONALLY MEET WITH PATIENTS AT THE BEDSIDE TO HELP COMPLETE THE APPLICATIONS, PROVIDE DETAILS ON SUPPORTING DOCUMENTATION NEEDS AND FACILITATE AND EXPEDITE THE REVIEW PROCESS UNTIL A NOTICE OF DECISION HAS BEEN RECEIVED.

- OUR COMMUNITY HEALTH IMPROVEMENT OFFICE PROVIDES EDUCATION AND APPLICATION ASSISTANCE FOR A VARIETY OF PROGRAMS, INCLUDING THE STATE AND FEDERAL MEDICAID APPLICATION PROCESS, THE PATIENT ASSISTANCE PROGRAM APPLICATION (CHARITY) AS WELL AS ASSIST WITH FINANCIAL ASSISTANCE TO PATIENTS FOR PHARMACEUTICALS. PROCESSES HAVE BEEN ESTABLISHED TO REFER URGENT CARE AND EMERGENCY DEPARTMENT PATIENTS TO THE PROGRAM, WHERE CASE MANAGERS ASSIST IN BOTH THE APPLICATION PROCESS AND COMMUNITY RESOURCE NEEDS IDENTIFICATION. ADDITIONALLY, THE CASE MANAGERS RECEIVE AND REVIEW REPORTS FOR THE UNINSURED EMERGENCY PATIENTS WHO HAVE FREQUENTED THE EMERGENCY DEPARTMENT MORE THAN 1 TIME PER MONTH. THE MANAGERS WILL THEN REACH OUT TO THE PATIENTS, SEEKING TO ASSIST PATIENTS IN IDENTIFYING FINANCIAL SPONSORSHIP.

PART VI, LINE 4:

COMMUNITY INFORMATION: UVM MEDICAL CENTER IS BOTH A COMMUNITY HOSPITAL AND, IN PARTNERSHIP WITH THE UNIVERSITY OF VERMONT, THE STATE'S ONLY ACADEMIC MEDICAL CENTER. IN ITS COMMUNITY HOSPITAL ROLE, UVM MEDICAL CENTER SERVES APPROXIMATELY 168,000 RESIDENTS IN CHITTENDEN AND GRAND ISLE COUNTIES AND PROVIDES PRIMARY CARE SERVICES AT ELEVEN VERMONT SITES. THE ORGANIZATION ALSO OFFERS FREE TO THE COMMUNITY A WIDE RANGE OF HEALTH, PREVENTION AND WELLNESS PROGRAMS, ALL OF WHICH HELP TO LIMIT THE NEED FOR MORE EXPENSIVE ACUTE CARE. AS A REGIONAL REFERRAL CENTER, UVM MEDICAL CENTER PROVIDES ADVANCED-LEVEL CARE TO A POPULATION OF

Part VI Supplemental Information *(Continuation)*

APPROXIMATELY ONE MILLION PEOPLE THROUGHOUT VERMONT AND NORTHERN NEW YORK. UVM MEDICAL CENTER EXTENDS BEYOND ITS FOUR MAIN CAMPUSES IN THE BURLINGTON AREA TO INCLUDE MORE THAN 30 PATIENT CARE SITES AND OVER 100 OUTREACH CLINICS, PROGRAMS AND SERVICES THROUGHOUT THE REGION.

PART VI, LINE 5:

PROMOTION OF COMMUNITY HEALTH: UVM MEDICAL CENTER IS GOVERNED BY A BOARD OF COMMUNITY VOLUNTEERS FROM OUR SERVICE AREA, INCLUDING OUR PRIMARY, SECONDARY AND TERTIARY REFERRAL REGION. THE MAJORITY OF BOARD MEMBERS ARE INDEPENDENT AND NOT DIRECTLY AFFILIATED WITH THE ORGANIZATION. UVM MEDICAL CENTER'S MEDICAL STAFF IS AN "OPEN STAFF" MODEL WITH MEMBERSHIP GOVERNED BY THE MEDICAL STAFF'S BY-LAWS, AND INCLUDES APPROXIMATELY 720 EMPLOYED PHYSICIANS AND 170 COMMUNITY-BASED PHYSICIANS. AS A NON-PROFIT, ANY SURPLUS FUNDS GENERATED BY UVM MEDICAL CENTER ARE RE-INVESTED IN OUR ORGANIZATION TO SUPPORT OUR MISSION. PLEASE SEE SCHEDULE O FOR A MORE DETAILED DESCRIPTION OF UVM MEDICAL CENTER'S ROLE IN OUR REGIONAL HEALTH CARE SYSTEM AND OUR COMMUNITY BENEFIT ACTIVITIES.

PART VI, LINE 6:

AFFILIATED HEALTH CARE SYSTEM:

AS OF OCTOBER 1, 2011, THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) AND THE UNIVERSITY OF VERMONT HEALTH NETWORK-CENTRAL VERMONT MEDICAL CENTER, INC. (UVM HEALTH NETWORK-CENTRAL VERMONT MEDICAL CENTER), BECAME MEMBERS OF THE UNIVERSITY OF VERMONT HEALTH NETWORK, (UVM HEALTH NETWORK), AN INTEGRATED SYSTEM OF CARE SERVING THE COMMUNITIES OF VERMONT AND NORTHERN NEW YORK. ON JANUARY 1, 2013 UVM HEALTH NETWORK BECAME THE SOLE MEMBER OF COMMUNITY PROVIDERS, INC. (CPI), THE SOLE MEMBER OF CENTRAL VERMONT PHYSICIANS HOSPITAL (CVPH), ELIZABETHTOWN COMMUNITY

Part VI Supplemental Information *(Continuation)*

HOSPITAL (ECH) AND ALICE HYDE MEDICAL CENTER (AHMC).

ON APRIL 1, 2017, UVM HEALTH NETWORK BECAME THE SOLE MEMBER OF PORTER MEDICAL CENTER, INC. ON JANUARY 1, 2018 UVM HEALTH NETWORK ALSO BECAME THE SOLE MEMBER OF UVM HEALTH NETWORK HOME HEALTH & HOSPICE. UVM HEALTH NETWORK IS CARRYING OUT CENTRALIZED ACTIVITIES FOR THE BENEFIT OF PATIENTS OF ALL PARTNER ORGANIZATIONS, INCLUDING IMPROVING ACCESS TO LOCAL CARE, COST SAVINGS THROUGH GREATER JOINT PURCHASING POWER, ENHANCING INFORMATION TECHNOLOGY, INCREASING ACADEMIC OPPORTUNITIES FOR PHYSICIANS, ENGAGING IN REGIONAL STRATEGIC PLANNING, AND PARTICIPATING IN JOINT QUALITY AND CLINICAL INITIATIVES, AND COLLABORATIVE EFFORTS. UVM MEDICAL CENTER REGULARLY PARTNERS WITH OTHER ORGANIZATIONS AND PROVIDERS TO HELP MEET THE NEEDS OF OUR COMMUNITY. THIS INCLUDES WORKING WITH OTHER ORGANIZED SYSTEMS OF CARE (LIKE HOME HEALTH AGENCIES, OTHER VERMONT HOSPITALS, AND PHYSICIAN PRACTICES), AS WELL AS COMMUNITY-BASED ORGANIZATIONS WHOSE MISSIONS ARE SIMILAR TO OURS. FOR EXAMPLE, UVM MEDICAL CENTER COLLABORATES WITH COMMUNITY PARTNERS TO REGULARLY ASSESS COMMUNITY AND HEALTH CARE NEEDS, WHICH HELPS GUIDE OUR ORGANIZATION'S PRIORITIES. PLEASE READ FORM 990 PART III NARRATIVE IN SCHEDULE O FOR ADDITIONAL INFORMATION ON THE UVM MEDICAL CENTER'S INTERACTIONS IN AND WITH ITS COMMUNITY.

PART VI , LINE 7

THE UNIVERSITY OF VERMONT MEDICAL, INC. FILES A COMMUNITY BENEFIT REPORT WITH THE STATE OF VERMONT.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY 30 SPEEN STREET FRAMINGHAM, MA 01701	13-1788491	501(C)(3)	51,500.	0.			COMMUNITY HEALTH IMPROVEMENT
ANEW PLACE PO BOX 1481 BURLINGTON, VT 05401	03-0287599	501(C)(3)	50,000.	0.			COMMUNITY HEALTH IMPROVEMENT
AREA HEALTH EDUCATION CENTER 1 SO. PROSPECT ST BURLINGTON, VT 05401	03-0179440	501(C)(3)	260,000.	0.			COMMUNITY HEALTH IMPROVEMENT
BUILDING BRIGHT FUTURES 600 BLAIR PARK RD WILLISTON, VT 05495	45-2392293	501(C)(3)	30,000.	0.			COMMUNITY HEALTH IMPROVEMENT
BURLINGTON HOUSING AUTHORITY 65 MAIN STREET BURLINGTON, VT 05401	03-0216305	OTHER GOV'T	54,500.	0.			COMMUNITY HEALTH IMPROVEMENT
CARDINAL HEALTH TEAM HEART 3763 COLLECTIONS CENTER DR CHICAGO, IL 60693	36-4095186	501(C)(3)	9,926.	0.			COMMUNITY HEALTH IMPROVEMENT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 27.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

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

Schedule I (Form 990) (2017)

732101 11-01-17

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CENTER FOR HEALTH AND LEARNING 28 VERNON ST SUITE 319 BRATTLEBORO, VT 05301	03-0351024	501(C)(3)	41,000.	0.			COMMUNITY HEALTH IMPROVEMENT
COMMUNITY HEALTH CENTERS OF BURLINGTON - 617 RIVERSIDE AVENUE - BURLINGTON, VT 05401	23-7182584	501(C)(3)	202,500.	0.			COMMUNITY HEALTH IMPROVEMENT
CHAMPLAIN VALLEY PHYSICIANS HOSPITAL - 75 BEEKMAN ST - PLATTSBURGH, NY 12903	14-1727048	501(C)(3)	27,500.	0.			COMMUNITY HEALTH IMPROVEMENT
GOTCHA BIKE LLC 7 RADCLIFFE ST STE 200 CHARLESTON, SC 29403	81-4355435	501(C)(3)	20,000.	0.			COMMUNITY HEALTH IMPROVEMENT
HITCHCOCK FOUNDATION ONE MEDICAL CENTER DR LEBANON, NH 03756	02-0222139	501(C)(3)	12,500.	0.			COMMUNITY HEALTH IMPROVEMENT
HOWARD CENTER 208 FLYNN AVENUE BURLINGTON, VT 05401	03-0179433	501(C)(3)	130,000.	0.			COMMUNITY HEALTH IMPROVEMENT
HUDSON HEADWATERS HEALTH NETWORK 9 CAREY ROAD QUEENSBURY, NY 12804	14-1628237	501(C)(3)	50,000.	0.			COMMUNITY HEALTH IMPROVEMENT
HUNGER FREE VERMONT 33 EASTWOOD DRIVE #100 SO. BURL., VT 05403	03-0336357	501(C)(3)	100,000.	0.			COMMUNITY HEALTH IMPROVEMENT
KIDSAFE COLLABORATIVE 45 KILBURN STREET BURLINGTON, VT 05401	03-0303867	501(C)(3)	19,750.	0.			COMMUNITY HEALTH IMPROVEMENT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
KING STREET YOUTH CENTER PO BOX 1615 BURLINGTON, VT 05401	23-7236312	501(C)(3)	18,000.	0.			COMMUNITY HEALTH IMPROVEMENT
LUND FAMILY CENTER 76 GLEN RD BURLINGTON, VT 05401	03-0179434	501(C)(3)	52,500.	0.			COMMUNITY HEALTH IMPROVEMENT
NATIONAL ACADEMY OF SCIENCES 500 FIFTH ST NW KECK 830 WASHINGTON, DC 20001	53-0196932	501(C)(3)	15,000.	0.			COMMUNITY HEALTH IMPROVEMENT
SALVATION FARMS INC PO BOX 1174 MORRISVILLE, VT 05661	45-2954564	501(C)(3)	45,000.	0.			COMMUNITY HEALTH IMPROVEMENT
SPECTRUM YOUTH AND FAMILY SERVICES 31 ELMWOOD AVE BURLINGTON, VT 05401	03-0253232	501(C)(3)	22,000.	0.			COMMUNITY HEALTH IMPROVEMENT
UNITED WAY OF CHITTENDEN COUNTY 412 FARRELL STREET SO. BURL., VT 05403	03-0217229	501(C)(3)	325,000.	0.			COMMUNITY HEALTH IMPROVEMENT
UVM FOUNDATION 411 MAIN STREET BURLINGTON, VT 05401	45-1556038	501(C)(3)	50,250.	0.			COMMUNITY HEALTH IMPROVEMENT
VERMONT CHAMBER FOUNDATION PO BOX 37 MONTPELIER, VT 05601	03-0335635	501(C)(3)	20,000.	0.			COMMUNITY HEALTH IMPROVEMENT
VERMONT YOUTH CONSERVATION CORPS 1949 EAST MAIN STREET RICHMOND, VT 05477	03-0328834	501(C)(3)	35,800.	0.			COMMUNITY HEALTH IMPROVEMENT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
VISITING NURSE ASSOCIATION 1110 PRIM ROAD COLCHESTER, VT 05446	03-0179603	501(C)(3)	38,500.	0.			COMMUNITY HEALTH IMPROVEMENT
VT ETHICS NETWORK 61 ELM STREET MONTPELIER, VT 05602	03-0336174	501(C)(3)	35,000.	0.			COMMUNITY HEALTH IMPROVEMENT
WINOOSKI SCHOOL DISTRICT 60 NORMAN STREET WINOOSKI, VT 05404	03-6000783	501(C)(3)	13,460.	0.			COMMUNITY HEALTH IMPROVEMENT

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
NURSING SCHOLARSHIPS	26	94,250.	0.		
ALLIED HEALTH SCHOLARSHIPS	6	26,500.	0.		
ENDOWMENT SCHOLARSHIPS	7	11,125.	0.		
SOCIAL WORK INDIGENT NON-CASH	141	0.	201,264.	FMV	

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

PART I, LINE 2:

UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) REQUIRES ITS GRANTEES TO PROVIDE SEMI-ANNUAL AND FINAL REPORTS WITH PERCENTAGES OF AWARD GOALS COMPLETED AS OF THE REPORT DATE.

SCHOLARSHIP MONITORING

THE ORGANIZATION REQUIRES STRICT APPLICATION AND APPROVAL CRITERIA FOR SCHOLARSHIP RECIPIENTS TO MAINTAIN THE INTEGRITY OF EACH RESPECTIVE AWARD.

Part IV Supplemental Information

NURSING SCHOLARSHIPS:

NURSING SCHOOL ASSISTANCE IS AWARDED TO APPLICANTS IN ORDER FOR THEM TO OBTAIN A DEGREE IN NURSING. FOR THE APPLICANT TO QUALIFY FOR THE SCHOLARSHIP, HE/SHE MUST AGREE TO USE IT TO HELP FURTHER UVM MEDICAL CENTER'S CHARITABLE STATUS. THIS IS DONE BY HAVING THE APPLICANT COMMIT TO TWO YEARS OF SERVICE AT THE ORGANIZATION AFTER SUCCESSFUL COMPLETION OF THE DEGREE PROGRAM. IN ADDITION, A WRITTEN PROPOSAL STATING HOW ATTAINMENT OF THE DEGREE WILL BENEFIT NURSING AT THE ORGANIZATION IS REQUIRED.

ALLIED HEALTH SCHOLARSHIPS:

ALLIED HEALTH SCHOLARSHIPS ARE AWARDED TO SUPPORT THE CAREER DEVELOPMENT OF UVM MEDICAL CENTER'S EMPLOYEES IN POSITION CATEGORIES WHERE CURRENT AND PROJECTED SHORTAGES EXIST. FOR THE APPLICANT TO QUALIFY FOR THE SCHOLARSHIP, HE OR SHE MUST BE AN EMPLOYEE OF UVM MEDICAL CENTER FOR ONE YEAR OR MORE, COMPLETE AN APPLICATION AND WRITTEN ESSAY, HAVE A HISTORY OF SOLID JOB PERFORMANCE, BE ACCEPTED INTO AN APPROVED ACADEMIC PROGRAM, AND PROVIDE TWO LETTERS OF RECOMMENDATION. ONCE THE SCHOLARSHIP IS AWARDED, RECIPIENTS MUST SIGN AN AGREEMENT TO WORK FOR UVM MEDICAL CENTER FOR A MINIMUM OF THREE YEARS UPON GRADUATION, TAKE A MINIMUM OF SIX CREDIT HOURS EACH SEMESTER, MAINTAIN HIGH GRADES, AND WORK A MINIMUM OF 20 HOURS PER WEEK.

SCHOLARSHIPS FROM THE NURSING EDUCATION ENDOWMENT FUND AND THE MARY FLETCHER HOSPITAL SCHOOL OF NURSING ALUMNI FUND:

ASSISTANCE FROM THE NURSING EDUCATION ENDOWMENT FUND IS AWARDED TO

Part IV Supplemental Information

ELIGIBLE APPLICANTS GOING INTO THE NURSING FIELD. APPLICANTS MUST BE EMPLOYED AT LEAST TWO YEARS AT UVM MEDICAL CENTER, WORK AT LEAST 40 HOURS PER PAY PERIOD, BE ENROLLED IN A NURSING CERTIFICATE, DEGREE OR DOCTORATE PROGRAM, AND HAVE NO CURRENT DISCIPLINARY ACTION IN THEIR FILE. DECISION TO APPROVE FUNDING IS BASED ON THE APPLICANT'S COMPLETED APPLICATION FORM, TWO LETTERS OF RECOMMENDATION, AND COMMITMENT TO TWO YEARS OF SERVICE AT UVM MEDICAL CENTER AFTER SUCCESSFUL COMPLETION OF THE DEGREE PROGRAM.

ASSISTANCE FROM THE MARY FLETCHER HOSPITAL SCHOOL OF NURSING ALUMNI FUND IS ALSO AWARDED TO ELIGIBLE APPLICANTS GOING INTO THE NURSING FIELD. APPLICANTS MUST BE ENROLLED IN EITHER A FORMAL OR CONTINUING EDUCATION PROGRAM RELATED TO SOME ASPECT OF HEALTH CARE (FOR EXAMPLE, HOLISTIC NURSING, CHILD-BIRTH EDUCATION, CHEMICAL DEPENDENCY, NURSE PRACTITIONER).

IN ADDITION, APPLICANTS MUST MEET THE FOLLOWING REQUIREMENTS: BE EMPLOYED BY UVM MEDICAL CENTER FOR AT LEAST ONE YEAR, AND PROVIDE A COMPLETED APPLICATION FORM, RESUME, WRITTEN ESSAY AND TWO LETTERS OF RECOMMENDATION.

SOCIAL WORK INDIGENT NON-CASH:

SOCIAL WORK INDIGENT NON-CASH ASSISTANCE CONSISTS OF PHARMACEUTICALS, CREMATION SERVICES, MEDICAL SUPPLIES, ETC.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use			
	☐ Travel for companions ☐ Payments for business use of personal residence			
	☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees			
	☐ Discretionary spending account ☒ Personal services (such as, maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2		X
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☒ Compensation committee ☐ Written employment contract			
	☒ Independent compensation consultant ☒ Compensation survey or study			
	☐ Form 990 of other organizations ☒ Approval by the board or compensation committee			
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

Schedule J (Form 990) 2017

732111 10-17-17

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) DR. JOHN BRUMSTED	(i)	1,023,959.	613,889.	175,239.	186,643.	27,247.	2,026,977.	0.
CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) DR. VIRGINIA HOOD	(i)	0.	0.	0.	0.	0.	0.	0.
TRUSTEE	(ii)	143,968.	0.	9,700.	17,532.	1,862.	173,062.	0.
(3) RICHARD J. VINCENT	(i)	377,713.	122,616.	57,774.	24,300.	26,305.	608,708.	0.
SVP/CFO	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) EILEEN WHALEN	(i)	643,318.	290,078.	99,413.	24,300.	21,162.	1,078,271.	0.
PRESIDENT AND COO	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) DR. HOWARD M. SCHAPIRO	(i)	411,531.	216,262.	68,815.	32,400.	23,384.	752,392.	0.
NETWORK CHIEF CLIN INTEGRA	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) SPENCER KNAPP	(i)	433,110.	181,357.	76,692.	24,300.	20,783.	736,242.	0.
NETWORK GENERAL COUNSEL	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) DR. CLAUDE DESCHAMPS	(i)	372,739.	238,292.	61,557.	24,300.	5,975.	702,863.	0.
PRES/CEO OF UVMHN MG	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) TODD KEATING	(i)	568,728.	270,066.	86,596.	23,430.	5,167.	953,987.	0.
NETWORK CFO	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) THERESA ALBERGHINI DIPALMA	(i)	337,282.	142,354.	55,680.	24,300.	21,970.	581,586.	0.
NETWORK SVP EXTERNAL RELAT	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) KEVIN P. MCATEER	(i)	298,883.	53,104.	48,451.	18,900.	22,508.	441,846.	0.
CHIEF DEVELOPMENT OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) DOUGLAS A. GENTILE	(i)	372,510.	87,993.	10,182.	24,300.	21,688.	516,673.	0.
NETWORK CHIEF MEDICAL INFO	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) LISA L. GOODRICH	(i)	320,020.	82,518.	6,379.	24,300.	25,698.	458,915.	0.
VP MEDICAL GROUP OPERATION	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) ANNA T. NOONAN	(i)	164,576.	0.	27,148.	20,314.	20,912.	232,950.	0.
NETWORK VP QUALITY & OP EF	(ii)	144,211.	135,376.	3,000.	17,654.	14,187.	314,428.	0.
(14) MARC STANISLAS	(i)	250,341.	76,153.	18,028.	22,944.	24,661.	392,127.	0.
NETWORK VP TREASURY &FINAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) CHARLES M. MICELI	(i)	277,982.	67,195.	8,296.	24,300.	23,919.	401,692.	0.
NETWORK CHIEF SUPPLY CHAIN	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) LAURIE A. GUNN	(i)	276,933.	71,608.	60,086.	24,300.	25,577.	458,504.	0.
VP HUMAN RESOURCES	(ii)	0.	0.	0.	0.	0.	0.	0.

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				
(17) JOHN GRIECO	(i)	271,992.	52,680.	40,531.	10,015.	25,154.	400,372.	0.
NETWORK CTO AND VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) JERALD NOVAK	(i)	236,707.	100,600.	78,354.	4,119.	17,096.	436,876.	0.
NETWORK CHIEF PEOPLE OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) JEFFREY WASSERMAN	(i)	338,218.	106,095.	43,304.	24,300.	22,058.	533,975.	0.
EXECUTIVE DIRECTOR UVMHN MG	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) DAWN LEBARON	(i)	239,050.	61,733.	42,662.	24,300.	11,129.	378,874.	0.
VP HOSPITAL SERVICES	(ii)	0.	0.	0.	0.	0.	0.	0.
(21) ADAM P. BUCKLEY	(i)	424,654.	178,559.	64,749.	18,900.	26,437.	713,299.	0.
NETWORK CIO	(ii)	0.	0.	0.	0.	0.	0.	0.
(22) DR. STEPHEN M. LEFFLER	(i)	494,931.	177,771.	94,003.	24,300.	25,735.	816,740.	0.
NETWORK SVP CQO/CPHO	(ii)	0.	0.	0.	0.	0.	0.	0.
(23) TODD B. MOORE	(i)	388,957.	162,928.	60,539.	23,700.	26,258.	662,382.	0.
SVP ACCOUNTABLE CARE & REV	(ii)	0.	0.	0.	0.	0.	0.	0.
(24) MARY KATE FITZPATRICK	(i)	319,662.	102,815.	50,116.	18,900.	18,933.	510,426.	0.
CHIEF NURSING OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(25) CHRISTINA OLIVER	(i)	252,018.	66,761.	7,407.	30,413.	19,232.	375,831.	0.
VP CLINICAL SERVICES	(ii)	0.	0.	0.	0.	0.	0.	0.
(26) DR. ERIN M. TSAI	(i)	332,445.	0.	7,632.	18,900.	10,933.	369,910.	0.
PHYSICIAN RADIOLOGY	(ii)	49,872.	0.	3,541.	0.	3,256.	56,669.	0.
(27) DR. ANDRE B. GILBERT	(i)	277,895.	0.	27,464.	18,900.	24,986.	349,245.	0.
PHYSICIAN ANESTHESIA	(ii)	0.	0.	0.	0.	0.	0.	0.
(28) DR. RICHARD B. WATSON	(i)	278,159.	0.	27,276.	24,300.	24,722.	354,457.	0.
PHYSICIAN ANESTHESIA	(ii)	0.	0.	0.	0.	0.	0.	0.
(29) RAY KELLER	(i)	260,135.	29,252.	6,274.	23,571.	2,304.	321,536.	0.
DIRECTOR MEDICAL INFORMATICS	(ii)	0.	0.	0.	0.	0.	0.	0.
(30) JULIE MORSE	(i)	178,085.	26,126.	11,807.	23,755.	30,254.	270,027.	0.
VP NURSING	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

SCHEDULE J, PART I, QUESTION 1A

PERSONAL SERVICE COMPENSATION

CERTAIN UVM MEDICAL CENTER OFFICERS AND KEY EMPLOYEES RECEIVED COMPENSATION OF $1,400 TO COVER TAX PREPARATION AND FINANCIAL ADVISORY SERVICES. WHILE THERE IS NO ORGANIZATION-WIDE WRITTEN POLICY REGARDING PAYMENT, THE AMOUNT IS INCLUDED IN THE RESPECTIVE INDIVIDUAL'S EMPLOYMENT CONTRACT WHICH IS DETERMINED THROUGH ANNUAL REVIEW (AS DISCUSSED IN SCHEDULE O). PERSONAL SERVICE COMPENSATION IS A FLAT AMOUNT INCLUDED IN THE INDIVIDUAL'S RESPECTIVE FORM W-2 AS TAXABLE INCOME. NO REIMBURSEMENT IS MADE UNDER AN ACCOUNTABLE PLAN; THEREFORE, SUBSTANTIATION OF EXPENSE IS UNNECESSARY.

COMPENSATION DETERMINATION

SCHEDULE J, PART I, QUESTION 3

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. ("UVM MEDICAL CENTER") RELIED ON UNIVERSITY OF VERMONT HEALTH NETWORK ("UVM HEALTH NETWORK"), THE PARENT ORGANIZATION OF UVM MEDICAL CENTER, TO ESTABLISH SENIOR VICE PRESIDENT COMPENSATION.

Part III Supplemental Information

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

UVM HEALTH NETWORK UTILIZED THE FOLLOWING METHODS TO ESTABLISH COMPENSATION:

- COMPENSATION COMMITTEE
- INDEPENDENT COMPENSATION CONSULTANT
- COMPENSATION SURVEY OR STUDY
- APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

SCHEDULE J, PART I, QUESTION 4B

DURING CALENDAR YEAR 2015, THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. ENTERED INTO A SUPPLEMENTAL RETIREMENT BENEFIT PLAN (SRP) WITH CHIEF EXECUTIVE OFFICER BRUMSTED. UNDER THE TERMS OF THE SRP, UVM MEDICAL CENTER MAKES ANNUAL CREDITS EQUAL TO 15% OF THE CEO'S BASE SALARY FOR EACH YEAR THROUGH THE PLAN YEAR ENDING SEPTEMBER 30, 2019. THE AMOUNT DEFERRED FOR CALENDAR YEAR 2017 IS REPORTED ON SCHEDULE J, PART II, COLUMN C. AMOUNTS DEFERRED REMAIN SUBJECT TO FORFEITURE IF CERTAIN CONDITIONS ARE NOT MET.

NON-FIXED PAYMENTS

SCHEDULE J, PART I, QUESTION 7

Part III Supplemental Information

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

UVM MEDICAL CENTER PAID A LUMP-SUM INCENTIVE AWARD TO UPPER MANAGEMENT (DIRECTORS, VICE PRESIDENTS, PHYSICIAN CHAIRS AND SENIOR EXECUTIVES) THROUGH ITS ANNUAL VARIABLE PAY PLAN AS THE PLAN'S ORGANIZATIONAL PERFORMANCE MEASURES WERE MET. THE MEASURES WERE REVIEWED AND APPROVED BY THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES. THESE MEASURES INCLUDED FINANCIAL, POPULATION HEALTH & QUALITY, AND OPERATIONAL RELATED METRICS.

ENTITY 1

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

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

Part I Bond Issues SEE PART VI FOR COLUMN (F) CONTINUATIONS

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	VEHBFA SERIES 2008A & SERIES 2004B	23-7154467	924166CJ8	05/21/08	215386067.	REFUND BONDS ISSUED 4/15/2004		X		X		X
B	VEHBFA SERIES 2016A	23-7154467	924166HJ3	02/03/16	203831137.	REFUND BONDS ISSUED 4/15/04,1/		X		X		X
C	VEHBFA SERIES 2015A	23-7154467	000000000	01/08/15	23840000.	REFUND BONDS ISSUED 4/15/2004		X		X		X
D	VEHBFA SERIES 2013A	23-7154467	000000000	03/05/13	29500000.	REFUND BONDS ISSUED 2000		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	22,981,067.	6,785,000.	6,145,000.	1,787,500.
2	Amount of bonds legally defeased	137,700,000.			
3	Total proceeds of issue	215,386,067.	203,852,365.	23,840,000.	29,500,000.
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	8,880,529.	1,915,049.	183,840.	263,962.
8	Credit enhancement from proceeds	24,978.			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		5,893,332.		
11	Other spent proceeds	213,225,000.	250,340,345.	23,656,160.	29,236,038.
12	Other unspent proceeds				
13	Year of substantial completion	2005	2005	1985	2005

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

Part III Private Business Use

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

ENTITY 2

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

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

Part I Bond Issues SEE PART VI FOR COLUMN (F) CONTINUATIONS

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	VEHBFA SERIES 2016B	23-7154467	924166JA0	07/28/16	101572833.	CONSTRUCTION INPATIENT BED TOW		X		X		X
B												
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	101,844,192.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds	7,305,877.			
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	366,636.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	94,136,912.			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X			X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?				X		X		X
b	Exception to rebate?				X	X		X	
c	No rebate due?			X			X		X
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X		X		X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	CITIBANK							
c	Term of hedge	14.1000000							
d	Was the hedge superintegrated?	X							
e	Was the hedge terminated?		X						

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: VEHBFA SERIES 2016A
(F) DESCRIPTION OF PURPOSE: REFUND BONDS ISSUED 4/15/04,1/25/07

(A) ISSUER NAME: VEHBFA SERIES 2016B
(F) DESCRIPTION OF PURPOSE: CONSTRUCTION INPATIENT BED TOWER

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:
(A) ISSUER NAME: VEHBFA SERIES 2016A
DATE THE REBATE COMPUTATION WAS PERFORMED: 02/03/2018

(A) ISSUER NAME: VEHBFA SERIES 2016B
DATE THE REBATE COMPUTATION WAS PERFORMED: 07/28/2018

PARTS I & II DIFFERENCE IN ISSUE PRICE AND PROCEEDS
BOND SERIES 2016A ISSUE PRICE $203,831,137 DIFFERS FROM PART II TOTAL PROCEEDS $203,852,365 AS A RESULT OF INVESTMENT EARNINGS.

BOND SERIES 2016B ISSUE PRICE $101,572,833 DIFFERS FROM PART II TOTAL PROCEEDS $101,844,192 AS A RESULT OF INVESTMENT EARNINGS.

SEE PART VI SUPPLEMENTAL INFORMATION SHEET

Part IV Arbitrage *(Continued)*

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

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: VEHBFA SERIES 2016A
(F) DESCRIPTION OF PURPOSE: REFUND BONDS ISSUED 4/15/04,1/25/07

(A) ISSUER NAME: VEHBFA SERIES 2016B
(F) DESCRIPTION OF PURPOSE: CONSTRUCTION INPATIENT BED TOWER

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:
(A) ISSUER NAME: VEHBFA SERIES 2016A
DATE THE REBATE COMPUTATION WAS PERFORMED: 02/03/2018

(A) ISSUER NAME: VEHBFA SERIES 2016B
DATE THE REBATE COMPUTATION WAS PERFORMED: 07/28/2018

PARTS I & II DIFFERENCE IN ISSUE PRICE AND PROCEEDS
BOND SERIES 2016A ISSUE PRICE $203,831,137 DIFFERS FROM PART II TOTAL PROCEEDS $203,852,365 AS A RESULT OF INVESTMENT EARNINGS.

BOND SERIES 2016B ISSUE PRICE $101,572,833 DIFFERS FROM PART II TOTAL PROCEEDS $101,844,192 AS A RESULT OF INVESTMENT EARNINGS.

SEE PART VI SUPPLEMENTAL INFORMATION SHEET

PUBLIC DISCLOSURE COPY

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

PART III, LINES 4-6
2016A ISSUANCE: THE 2016A BONDS WERE OBTAINED TO REFUND BOTH THE 2004B
AND 2007A BOND ISSUANCES. REFUNDING ESCROWS WERE SET UP INDIVIDUALLY.
THE 2007A SERIES BONDS WERE COMPLETELY PAID OFF IN FY17. THE 2004B
SERIES WERE COMPLETELY PAID OFF IN FY18.

2016B ISSUANCE: EQUITY IS PRESENT IN THE PROJECT AND IS FIRST DIRECTED
TO PRIVATE BUSINESS USE.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2017

Open To Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

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

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

1 **(a)** Name of disqualified person	**(b)** Relationship between disqualified person and organization	**(c)** Description of transaction	**(d)** Corrected? Yes	No

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	**(b)** Relationship with organization	**(c)** Purpose of loan	**(d)** Loan to or from the organization? To	From	**(e)** Original principal amount	**(f)** Balance due	**(g)** In default? Yes	No	**(h)** Approved by board or committee? Yes	No	**(i)** Written agreement? Yes	No
Total ▶ $												

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of assistance	**(d)** Type of assistance	**(e)** Purpose of assistance

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
MARIA MCCLELLAN	FAMILY MEMBER OF OF	120,566.	WAGES FROM		X
BRIGITTE BARRETTE	FAMILY MEMBER OF KE	35,203.	WAGES FROM		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	718,417.	ELECTRICAL		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	401,918.	ARCHITECTUR		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	11,392,890.	DATA CENTER		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	769,452.	RENT		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	4,112,723.	CONSTRUCTIO		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	216,793.	LEGAL		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	3,028,932.	RENT		X
SUBSTANTIAL DONOR	SUBSTANTIAL DONOR	57,007,811.	CONSTRUCTIO		X

Part V **Supplemental Information**

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

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

(A) NAME OF PERSON: MARIA MCCLELLAN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF OFFICER AND TRUSTEE

(C) AMOUNT OF TRANSACTION $ 120,566.

(D) DESCRIPTION OF TRANSACTION: WAGES FROM UVM MEDICAL CENTER

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: BRIGITTE BARRETTE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF KEY EMPLOYEE

(C) AMOUNT OF TRANSACTION $ 35,203.

(D) DESCRIPTION OF TRANSACTION: WAGES FROM UVM MEDICAL CENTER

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open To Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

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	X	5	0.	
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications	X		40.	COST
5	Clothing and household goods	X		6,918.	COST
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	33	581,150.	SALE PRICE LESS FEES
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	X	2	2,755,032.	APPRAISED VALUE
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 ▶ (GIFT CERTIFIC)	X	37	7,294.	COST
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 2

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

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule M (Form 990) 2017**

732141 09-07-17

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

SCHEDULE M, PART I, COLUMN (B):

UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) IS REPORTING THE TOTAL NUMBER OF CONTRIBUTIONS.

SCHEDULE M, PART I, LINE 1

WORKS OF ART

UVM MEDICAL CENTER MAINTAINS A COLLECTION OF ART THAT THEY ROTATE THROUGHOUT THE ORGANIZATION'S FACILITIES. THE PURPOSE OF HANGING THE ART IS TO BRIGHTEN UP THE HEALTH SERVICE FACILITY AND CREATE A POSITIVE, UPLIFTING ENVIRONMENT. IN ACCORDANCE WITH ACCOUNTING PRINCIPLES, UVM MEDICAL CENTER DOES NOT VALUE THIS COLLECTION IN ITS FINANCIAL STATEMENTS.

SCHEDULE M, LINE 33:

UVM MEDICAL CENTER DOES NOT RECORD REVENUE FOR SOME GIFTS-IN-KIND UNTIL THEY ARE SOLD. THEREFORE, REVENUE FOR THESE GIFTS IS NOT INCLUDED ON FORM 990, PART VIII, LINE 1.

SCHEDULE O
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

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

EDUCATION, AND RESEARCH IN A CARING ENVIRONMENT.

NUMBER OF VOLUNTEERS

FORM 990, PART I, LINE 6

THE TOTAL NUMBER OF VOLUNTEERS INCLUDES NON-COMPENSATED MEMBERS OF THE BOARD OF TRUSTEES. IN ADDITION, VOLUNTEERS WORK IN OVER 50 DEPARTMENTS TO SUPPORT THE WORK OF EMPLOYEES TO MEET PATIENT NEEDS AND ENHANCE THE PATIENT EXPERIENCE AT THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER).

COMMUNITY BENEFIT REPORT

FORM 990, PART III

UVM MEDICAL CENTER IS BOTH A COMMUNITY HOSPITAL AND, IN PARTNERSHIP WITH THE UNIVERSITY OF VERMONT, THE STATE'S ONLY ACADEMIC MEDICAL CENTER. IT IS OUR MISSION TO IMPROVE THE HEALTH OF THE PEOPLE IN THE COMMUNITIES WE SERVE BY INTEGRATING PATIENT CARE, EDUCATION AND RESEARCH IN A CARING ENVIRONMENT.

IN ITS COMMUNITY HOSPITAL ROLE, UVM MEDICAL CENTER SERVES APPROXIMATELY 168,000 RESIDENTS IN CHITTENDEN AND GRAND ISLE COUNTIES AND PROVIDES PRIMARY CARE SERVICES AT ELEVEN VERMONT SITES. THE ORGANIZATION ALSO OFFERS FREE TO THE COMMUNITY A WIDE RANGE OF HEALTH, PREVENTION AND WELLNESS PROGRAMS, ALL OF WHICH HELP TO LIMIT THE NEED FOR MORE EXPENSIVE ACUTE CARE.

THROUGH A VITAL PARTNERSHIP, UVM MEDICAL CENTER, THE UNIVERSITY OF VERMONT COLLEGE OF MEDICINE AND THE UNIVERSITY OF VERMONT COLLEGE OF NURSING AND HEALTH SCIENCES FORM VERMONT'S ACADEMIC MEDICAL CENTER - ONE OF ONLY APPROXIMATELY 130 SUCH CENTERS IN THE COUNTRY. TOGETHER, THESE INSTITUTIONS ARE COMMITTED TO HELPING IMPROVE OUR REGION'S QUALITY OF LIFE WITH INNOVATIONS IN MEDICINE AND HEALTH CARE THAT ARISE FROM NEW KNOWLEDGE AND DISCOVERY. THROUGH ITS ALLIANCE WITH THE UNIVERSITY OF VERMONT, UVM MEDICAL CENTER IS ABLE TO PROVIDE THE BEST PATIENT CARE POSSIBLE BY BRINGING MEDICAL EDUCATION AND RESEARCH TO THE BEDSIDE, THE DOCTOR'S OFFICE AND INTO THE COMMUNITY.

AS A REGIONAL REFERRAL CENTER, UVM MEDICAL CENTER PROVIDES ADVANCED-LEVEL CARE TO A POPULATION OF APPROXIMATELY ONE MILLION PEOPLE THROUGHOUT VERMONT AND NORTHERN NEW YORK. THE MEDICAL CENTER EXTENDS BEYOND ITS THREE MAIN CAMPUSES IN THE BURLINGTON AREA TO INCLUDE MORE THAN 30 PATIENT CARE SITES AND 68 OUTREACH CLINICS, PROGRAMS AND SERVICES THROUGHOUT THE REGION.

EACH OF THESE RESPONSIBILITIES IS EQUALLY IMPORTANT IN FULFILLING UVM MEDICAL CENTER'S MISSION.

1. PATIENT CARE - SERVING A POPULATION OF APPROXIMATELY ONE MILLION THROUGHOUT VERMONT AND NORTHERN NEW YORK, UVM MEDICAL CENTER PROVIDES A FULL RANGE OF SERVICES COVERING EVERY MAJOR AREA OF MEDICINE. THE MEDICAL CENTER AVERAGES MORE THAN A MILLION PATIENT VISITS EACH YEAR, INCLUDING INPATIENT, OUTPATIENT, EMERGENCY DEPARTMENT AND PHYSICIAN OFFICE VISITS. UVM MEDICAL CENTER IS AT THE LEADING EDGE OF HEALTH CARE INNOVATIONS, INCLUDING HAVING IMPLEMENTED A SYSTEM-WIDE ELECTRONIC

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

HEALTH RECORD THAT SUPPORTS IMPROVED HEALTH CARE FOR OUR COMMUNITIES AND SERVING AS ONE OF THE FIRST TWO PILOT SITES FOR THE VERMONT BLUEPRINT FOR HEALTH, A STATEWIDE PUBLIC/PRIVATE PARTNERSHIP FOCUSED ON ENSURING THAT ALL VERMONTERS HAVE ACCESS TO PRIMARY CARE SERVICES USING THE "PATIENT-CENTERED MEDICAL HOME" CARE DELIVERY MODEL. IN LINE WITH THE BLUEPRINT, UVM MEDICAL CENTER HAS IMPLEMENTED A COMMUNITY HEALTH TEAM TO SERVE ALL OF OUR PRIMARY CARE PRACTICES, ALL OF WHICH HAVE BEEN RECOGNIZED BY THE NATIONAL COMMITTEE ON QUALITY ASSURANCE AS PATIENT-CENTERED MEDICAL HOMES.

2. EDUCATION - AS AN ACADEMIC MEDICAL CENTER, WE HAVE THE SPECIAL RESPONSIBILITY OF EDUCATING THE NEXT GENERATION OF DOCTORS, NURSES AND ALLIED HEALTH PROFESSIONALS. THE VAST MAJORITY OF UVM MEDICAL CENTER DOCTORS NOT ONLY TAKE CARE OF PATIENTS, THEY ALSO TEACH MEDICAL STUDENTS THROUGH THEIR POSITIONS AS MEMBERS OF THE UNIVERSITY OF VERMONT COLLEGE OF MEDICINE FACULTY. A NUMBER OF UVM MEDICAL CENTER NURSES AND ALLIED HEALTH PROFESSIONALS ALSO TEACH AT THE UNIVERSITY OF VERMONT COLLEGE OF NURSING AND HEALTH SCIENCES.

UVM MEDICAL CENTER SERVES AS THE CLINICAL TRAINING SITE FOR THE APPROXIMATELY 465 MEDICAL STUDENTS AND 1,200 NURSING AND ALLIED HEALTH STUDENTS WHO ATTEND THE UNIVERSITY OF VERMONT. ADDITIONALLY, UVM MEDICAL CENTER IS THE TRAINING SITE FOR APPROXIMATELY 330 RESIDENTS AND FELLOWS. PATIENTS BENEFIT FROM HAVING RESIDENTS, MEDICAL STUDENTS AND NURSING AND ALLIED HEALTH STUDENTS AS PART OF THEIR CARE TEAM.

IN COLLABORATION WITH THE UNIVERSITY OF VERMONT, UVM MEDICAL CENTER CONTINUES TO USE THE DEVELOPMENT OF A SIMULATION CENTER THAT INCLUDES

9,000 SQUARE FEET OF TEACHING SPACE WITH FULLY-FUNCTIONING HOSPITAL ROOMS AND HIGH-TECH MANNEQUINS THAT SIMULATE ALL KINDS OF DISEASES AND INJURIES. THE SIMULATION CENTER ALSO HAS HANDS-ON LABS FOR SKILL-BUILDING AS WELL AS A VIRTUAL REALITY TRAINER THAT IMPROVES ON OLD TEACHING METHODS. IN ADDITION TO BEING USED TO TRAIN FUTURE DOCTORS AND NURSES, THE NEW FACILITY IS OPEN TO ALL VERMONT MEDICAL PROFESSIONALS, INCLUDING EMERGENCY MEDICAL TECHNICIANS AND VERMONT NATIONAL GUARD MEDICS.

3. RESEARCH - A CORE MISSION OF THE ACADEMIC MEDICAL CENTER IS TO ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH, SO IN ADDITION TO TEACHING AND TRAINING, MANY OF OUR PHYSICIANS, NURSES AND OTHER PROVIDERS ENGAGE IN BIOMEDICAL RESEARCH, SEEKING NEW CURES AND MORE EFFECTIVE TREATMENTS. THERE ARE OVER 1,000 ACTIVE CLINICAL TRIALS AT THE UNIVERSITY OF VERMONT AND UVM MEDICAL CENTER. CLINICAL TRIALS ARE RESEARCH STUDIES CONDUCTED USING VOLUNTEERS. EACH STUDY ANSWERS SCIENTIFIC QUESTIONS AND TRIES TO FIND BETTER WAYS TO PREVENT, SCREEN FOR, DIAGNOSE, OR TREAT A DISEASE. THIS ACTIVE RESEARCH PROGRAM HAS A DIRECT BENEFIT TO PATIENTS AT UVM MEDICAL CENTER, WHO HAVE ACCESS TO THE LATEST TREATMENTS AND TECHNOLOGY AND WHO ARE CARED FOR BY SOME OF THE LEADING EXPERTS IN THEIR FIELD. THE ACADEMIC MEDICAL CENTER IS ALSO ACTIVELY ENGAGED IN POPULATION-BASED HEALTH RESEARCH, INCLUDING EVALUATING VERMONT BLUEPRINT FOR HEALTH PILOT PROJECTS INVOLVING THE DEVELOPMENT AND IMPACT OF PATIENT-CENTERED MEDICAL HOMES WITHIN THE STATE.

4. COMMUNITY BENEFIT - IN ADDITION TO DELIVERING HEALTH CARE, EDUCATING HEALTH CARE PROFESSIONALS, AND RESEARCHING NEW KNOWLEDGE, UVM MEDICAL

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

CENTER ALSO LIVES ITS MISSION - TO IMPROVE THE HEALTH OF THE PEOPLE IN THE COMMUNITIES IT SERVES - BY REACHING OUT TO HELP PEOPLE TAKE CARE OF THEIR HEALTH. THESE EFFORTS INCLUDE, BUT ARE NOT LIMITED TO:

COMMUNITY WELLNESS AND EDUCATION - UVM MEDICAL CENTER OFFERS NUMEROUS FREE HEALTH EDUCATION CLASSES, IN WHICH HEALTH PROFESSIONALS PROVIDE INFORMATION ON A VARIETY OF TOPICS. MANY OTHER HEALTH AND WELLNESS PROGRAMS OFFERED THROUGHOUT THE YEAR SERVE AS A VALUABLE RESOURCE TO OUR COMMUNITY, RANGING FROM CHILD PASSENGER CAR SEAT SAFETY CHECKS TO FREE BLOOD PRESSURE SCREENINGS, TOBACCO CESSATION CLASSES, AND WORKSHOPS FOR SENIORS.

FRYMOYER COMMUNITY HEALTH RESOURCE CENTER - PATIENTS, FAMILIES AND THE PUBLIC ARE MORE INTERESTED THAN EVER IN GAINING ACCESS TO THE LATEST HEALTH INFORMATION AVAILABLE. THE FRYMOYER COMMUNITY HEALTH RESOURCE CENTER AT UVM MEDICAL CENTER OFFERS THE COMMUNITY EASY, FREE, GUIDED ACCESS TO THE BEST INFORMATION ABOUT HEALTH AND MEDICINE.

COLLABORATIVE EFFORTS - UVM MEDICAL CENTER REGULARLY PARTNERS WITH OTHER ORGANIZATIONS AND PROVIDERS TO HELP MEET THE NEEDS OF OUR COMMUNITY. THIS INCLUDES WORKING WITH OTHER ORGANIZED SYSTEMS OF CARE (SUCH AS HOME HEALTH AGENCIES, OTHER VERMONT HOSPITALS, AND PHYSICIAN PRACTICES), AS WELL AS COMMUNITY-BASED ORGANIZATIONS WHOSE MISSIONS ARE SIMILAR TO OURS. FOR EXAMPLE, UVM MEDICAL CENTER COLLABORATES WITH COMMUNITY PARTNERS TO REGULARLY ASSESS COMMUNITY AND HEALTH CARE NEEDS, WHICH HELPS GUIDE OUR ORGANIZATION'S PRIORITIES.

OUR COMMUNITY BENEFITS FALL INTO FOUR GENERAL CATEGORIES:

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

*DIRECT FINANCIAL ASSISTANCE TO PATIENTS. THIS REPRESENTS FREE CARE GIVEN TO PATIENTS WHO QUALIFY UNDER UVM MEDICAL CENTER'S "PATIENT ASSISTANCE PROGRAM" POLICY. THAT POLICY OFFERS FREE CARE TO PATIENTS UNDER 200% OF THE FEDERAL POVERTY LEVEL (FPL), WITH PATIENTS BETWEEN 200% AND 400% FPL PAYING A SLIDING-SCALE DEDUCTIBLE ONLY. FOR FY 2018, WE CALCULATED THIS AMOUNT AT APPROXIMATELY $12.1 MILLION IN ACTUAL COSTS (NOT CHARGES)(SEE SCHEDULE H, LINE 7A, COLUMN E).

*SUBSIDIZED PROGRAMS. THESE INCLUDE RESEARCH ACTIVITIES AND EDUCATION AND TRAINING PROGRAMS FOR HEALTH PROFESSIONALS THAT ARE NOT FULLY REIMBURSED THROUGH OTHER MEANS, AS WELL AS SUBSIDIES TO SUPPORT HEALTH SERVICES THAT BENEFIT OUR COMMUNITY, INCLUDING THE UNINSURED AND LOW-INCOME INDIVIDUALS. THOSE SERVICES INCLUDE MENTAL HEALTH SERVICES, EMERGENCY SERVICES AND CRITICAL CARE TRANSPORTATION SERVICES. FOR FY 2018, WE CALCULATED THESE SUBSIDIES AT APPROXIMATELY $3.8 MILLION IN COMMUNITY BENEFIT (SEE SCHEDULE H, LINE 7G, COLUMN E).

*COMMUNITY PROGRAMS AND DIRECT GRANTS. THESE INCLUDE, FOR EXAMPLE, COMMUNITY HEALTH SERVICES (HEALTH EDUCATION CLASSES, SUPPORT GROUPS, SCREENING SERVICES, FREE CLINICS, ETC.), FINANCIAL CONTRIBUTIONS AND IN-KIND DONATIONS (CASH DONATIONS, GRANTS, IN-KIND SUPPORT SUCH AS MEETING ROOMS, PARKING VOUCHERS, ETC.), COMMUNITY-BUILDING AND LEADERSHIP ACTIVITIES (INCLUDING ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENT, ECONOMIC DEVELOPMENT, AND ENVIRONMENTAL IMPROVEMENTS), AND COMMUNITY BENEFIT OPERATIONS (INCLUDING COSTS ASSOCIATED WITH OUR OFFICE OF COMMUNITY HEALTH IMPROVEMENT, COMMUNITY NEEDS ASSESSMENTS, ETC.). FOR FY 2018, WE CALCULATED THE VALUE OF THESE COMMUNITY PROGRAMS AND GRANTS AT $6.6 MILLION (SEE SCHEDULE H, LINE 7E AND 7I, COLUMN E).

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

*MEDICAID AND OTHER PUBLIC PROGRAM UNDERPAYMENTS. THESE INCLUDE UNDERPAYMENTS FROM VERMONT'S MEDICAID PROGRAM AS WELL AS SEVERAL SMALLER PUBLIC PROGRAMS (FOR EXAMPLE, LADIES FIRST). THESE DO NOT INCLUDE ANY UNDERPAYMENTS BY MEDICARE. FOR FY 2018, WE CALCULATED THIS AMOUNT AT $140 MILLION (SEE SCHEDULE H, LINE 7B, COLUMN E).

OUR TOTAL NET COMMUNITY BENEFIT SPENDING IN FY 2018 WAS $211 MILLION. THIS REPRESENTS APPROXIMATELY 15.5% OF UVM MEDICAL CENTER'S TOTAL PROGRAM SERVICE EXPENSE IN FY 2018 (SEE SCHEDULE H, LINE 7K, COLUMN F).

ORGANIZATION'S MISSION

FORM 990, PART III, LINE 1

ACADEMIC MEDICAL CENTER AND COMMUNITY HOSPITAL. MISSION: TO IMPROVE THE HEALTH OF THE PEOPLE IN THE COMMUNITIES WE SERVE BY INTEGRATING PATIENT CARE, EDUCATION, AND RESEARCH IN A CARING ENVIRONMENT.

VISION: WORKING TOGETHER, WE IMPROVE PEOPLE'S LIVES.

STATEMENT OF VALUES:

*WE RESPECT THE DIGNITY OF ALL INDIVIDUALS AND ARE RESPONSIVE TO THEIR PHYSICAL, EMOTIONAL, SPIRITUAL AND SOCIAL NEEDS AND CULTURAL DIVERSITY.

*WE ARE JUST AND PRUDENT STEWARDS OF LIMITED NATURAL AND FINANCIAL RESOURCES.

*WE FOSTER A CLIMATE WHICH ENCOURAGES BOTH THOSE RECEIVING AND PROVIDING CARE TO MAKE RESPONSIBLE CHOICES.

*WE STRIVE FOR EXCELLENCE IN QUALITY AND CARE AND SEEK TO CONTINUOUSLY LEARN AND IMPROVE.

*WE ACKNOWLEDGE A PARTNERSHIP WITH THE COMMUNITY TO ENSURE THE BEST POSSIBLE CARE AT THE RIGHT TIME, IN THE RIGHT PLACE, AND BY THE RIGHT PROVIDER.

*WE ARE CARING AND COMPASSIONATE TO EACH OTHER AND TO THOSE WE SERVE.

*WE COMMUNICATE OPENLY AND HONESTLY WITH THE COMMUNITY WE SERVE.

PROGRAM SERVICE ACCOMPLISHMENTS

FORM 990, PART III, LINE 4A-4C

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) IS A TERTIARY CARE TEACHING HOSPITAL THAT, IN AFFILIATION WITH THE UNIVERSITY OF VERMONT, SERVES AS VERMONT'S ONLY ACADEMIC MEDICAL CENTER. AS ARTICULATED IN OUR MISSION STATEMENT, OUR FOCUS IS ON IMPROVING THE HEALTH OF THE PEOPLE IN THE COMMUNITIES WE SERVE BY INTEGRATING PATIENT CARE, EDUCATION, AND RESEARCH IN A CARING ENVIRONMENT. THESE EFFORTS ARE RECOGNIZED IN OUR 501(C)(3) STATUS AS A CHARITABLE AND EDUCATIONAL ORGANIZATION.

AS A CHARITABLE ORGANIZATION, THE PROMOTION OF HEALTH THROUGH OUR ACADEMIC MISSION - HEALTH CARE DELIVERY, RESEARCH AND EDUCATION - IS OUR PRIMARY WORK. IN ADDITION TO THE COMMUNITY BENEFITS WE PROVIDE, UVM MEDICAL CENTER OFFERS THE BROAD RANGE AND SCOPE OF SERVICES NECESSARY TO ACHIEVE THAT GOAL. THIS INCLUDES A FULL-TIME EMERGENCY DEPARTMENT THAT IS CERTIFIED AS A LEVEL 1 TRAUMA CENTER BY THE AMERICAN COLLEGE OF SURGEONS, AS WELL AS NON-EMERGENCY SERVICES, ALL OF WHICH ARE AVAILABLE TO ALL PATIENTS REGARDLESS OF INSURANCE STATUS OR ABILITY TO PAY; AN OPEN MEDICAL STAFF THAT INCLUDES APPROXIMATELY 670 PHYSICIANS EMPLOYED BY UVM MEDICAL CENTER'S FACULTY PRACTICE (THE UNIVERSITY OF VERMONT MEDICAL GROUP), AS WELL AS ABOUT 160 COMMUNITY PHYSICIANS; AND AN

INDEPENDENT BOARD OF TRUSTEES THAT REPRESENTS OUR COMMUNITY AS A WHOLE.

IN TERMS OF PROGRAM SERVICES, UVM MEDICAL CENTER'S THREE LARGEST PROGRAMS (BY EXPENSES AND REVENUES) ARE OUR ACTUAL HEALTH CARE DELIVERY SERVICES, AS FOLLOWS:

INPATIENT SERVICES: SERVICES PROVIDED TO THOSE PATIENTS WHO REQUIRE ACUTE-CARE SERVICES IN A HOSPITAL SETTING. THESE SERVICES INCLUDE, FOR EXAMPLE, OUR LABOR AND DELIVERY UNIT, NURSING UNITS FOR GENERAL MEDICAL AND SURGICAL ISSUES, AND OUR INTENSIVE CARE UNITS (INCLUDING A PEDIATRIC ICU, A NEONATAL ICU, A SURGICAL ICU AND A MEDICAL ICU).

OUTPATIENT SERVICES: SERVICES PROVIDED TO THOSE PATIENTS WHO REQUIRE CARE, ON A WALK-IN BASIS, EITHER IN THE HOSPITAL OR IN ONE OF OUR MANY CLINIC SETTINGS. THESE INCLUDE ROUTINE PHYSICIAN VISITS, LABORATORY TESTS, CLINIC VISITS, EMERGENCY ROOM VISITS, AND MEDICAL EQUIPMENT AND SUPPLIES.

PROFESSIONAL SERVICES: SERVICES DELIVERED BY MEMBERS OF THE UVM MEDICAL GROUP, OUR EMPLOYED GROUP OF PHYSICIANS.

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

THE FOLLOWING INDIVIDUALS SERVED AT VERMONT MANAGED CARE INDEMNITY COMPANY, A RELATED ORGANIZATION: DR. JOHN BRUMSTED, DR. PAUL DANIELSON, STEPHEN LEFFLER, DR. CLAUDE DESCHAMPS, EILEEN WHALEN, TODD KEATING, DR. HOWARD SCHAPIRO, AND ANNA T. NOONAN.

THE FOLLOWING INDIVIDUALS SERVED AT THE UNIVERSITY OF VERMONT HEALTH

VENTURES, A RELATED ORGANIZATION: DR. JOHN BRUMSTED, TODD KEATING, AND DR. HOWARD SCHAPIRO.

TRUSTEES MARTIN LEWINTER AND VIRGINIA HOOD ARE EMPLOYEES OF UVMHN MEDICAL GROUP, A RELATED ORGANIZATION, AT WHICH RICHARD VINCENT IS AN OFFICER, AND DR. CLAUDE DESCHAMPS IS AN OFFICER AND DIRECTOR.

THE FOLLOWING INDIVIDUALS HAVE A WORKING RELATIONSHIP AT THE UVM HEALTH NETWORK: OFFICERS BRUMSTED AND WHALEN SERVE AS OFFICERS OF THE HEALTH NETWORK AND SERVE ON THE NETWORK LEADERSHIP COUNCIL (NLC); OFFICERS BRUMSTED AND EMERY-GINN BOTH SERVE AS OFFICERS ON THE HEALTH NETWORK BOARD; KEY EMPLOYEES BUCKLEY, DESCHAMPS, KEATING, KNAPP, MOORE, SCHAPIRO AND ALBERGHINI DIPALMA SERVE AS KEY EMPLOYEES OF THE HEALTH NETWORK AND ITS NLC.

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

THE UNIVERSITY OF VERMONT HEALTH NETWORK INC. (UVM HEALTH NETWORK) IS THE SOLE MEMBER OF THE ORGANIZATION.

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

UVM HEALTH NETWORK HAS POWERS TO ELECT UVM MEDICAL CENTER'S BOARD OF TRUSTEES.

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

UVM HEALTH NETWORK HAS THE POWER TO APPROVE SIGNIFICANT CORPORATE ACTIONS, INCLUDING ANNUAL OPERATING AND CAPITAL BUDGETS, STRATEGIC PLANS, THE APPOINTMENT OF THE CEO, THE INCURRENCE OF LONG-TERM INDEBTEDNESS, AND AMENDMENTS TO UVM MEDICAL CENTER'S BYLAWS AND ARTICLES OF ORGANIZATION. UVM

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

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HEALTH NETWORK IS A VERMONT NON-PROFIT CORPORATION WHICH HAS BEEN RECOGNIZED BY THE IRS AS A 501(C)(3) ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION.

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

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC.'S (UVM MEDICAL CENTER'S) FORM 990 IS PREPARED BY UVM MEDICAL CENTER STAFF AND REVIEWED BY PRICEWATERHOUSECOOPERS (PWC). FOLLOWING PWC'S REVIEW, THE RETURN IS REVIEWED BY UVM MEDICAL CENTER'S SENIOR LEADERSHIP. FINALLY, UVM MEDICAL CENTER'S MANAGEMENT PRESENTS THE FORM 990 TO THE AUDIT COMMITTEE FOR REVIEW AND COMMENT. THE COMPLETED FORM 990 IS PROVIDED TO ALL MEMBERS OF THE BOARD OF TRUSTEES OF THE UVM MEDICAL CENTER BOARD OF TRUSTEES PRIOR TO THE FORM BEING FILED WITH THE IRS.

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

THE ORGANIZATION REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH THE UVM HEALTH NETWORK'S CONFLICT OF INTEREST POLICY, WHICH IT HAS ADOPTED. IN ACCORDANCE WITH THE POLICY, TRUSTEES, OFFICERS, KEY EMPLOYEES AND PHYSICIANS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE AND CERTIFICATION UPON HIRING, AT LEAST ANNUALLY, PRIOR TO PARTICIPATING IN ANY DECISION THAT MAY BE AFFECTED BY A PERSONAL INTEREST, AND WHENEVER A POTENTIALLY CONFLICTING INTEREST FIRST ARISES.

CONFLICT OF INTEREST DISCLOSURES AND CERTIFICATIONS MAY BE MADE ONLINE OR IN WRITING AND ARE REGULARLY REVIEWED BY THE GENERAL COUNSEL. THE CONFLICT OF INTEREST POLICY IS ENFORCED BY THE OFFICE OF GENERAL COUNSEL AND OVERSEEN BY A FIVE-PERSON CONFLICT OF INTEREST COMMITTEE. THE GENERAL COUNSEL REPORTS AT LEAST QUARTERLY ON CONFLICT OF INTEREST ISSUES TO THE

AUDIT COMMITTEE OF THE BOARD OF TRUSTEES. CONFLICTS OF INTEREST ARE MANAGED IN ACCORDANCE WITH THE POLICY, WHICH PROVIDES FOR A VARIETY OF REMEDIES TO ADDRESS CONFLICTS OF INTEREST. IN ADDITION, "DISQUALIFIED PERSONS", CONSISTING OF TRUSTEES, OFFICERS AND KEY EMPLOYEES ARE SUBJECT TO SPECIAL PROCEDURES TO COMPLY WITH THE INTERMEDIATE SANCTION RULES, AS OUTLINED IN THE CONFLICT OF INTEREST POLICY. REMEDIES TO ADDRESS CONFLICTS OF INTEREST MAY INCLUDE THE FOLLOWING: RECUSAL FROM DECISION MAKING, DISCLOSURE TO APPROPRIATE PARTIES, COMMITTEE PARTICIPATION LIMITS AND REQUESTED DIVESTITURE. AN APPEALS PROCESS EXISTS SHOULD THE INDIVIDUAL REQUEST A SECONDARY REVIEW BE PERFORMED.

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

UVM MEDICAL CENTER DELEGATES THE SETTING OF EXECUTIVE COMPENSATION TO THE UVM HEALTH NETWORK COMPENSATION COMMITTEE, AN INDEPENDENT COMMITTEE, UNDER PRINCIPLES DESCRIBED IN ITS CHARTER. THE HEALTH NETWORK HAS ADOPTED A COMPENSATION PHILOSOPHY WHICH PROVIDES A FRAMEWORK FOR SETTING COMPENSATION FOR THE EXECUTIVES OF UVM HEALTH NETWORK, ITS AFFILIATED HOSPITALS, AND ITS MEDICAL GROUP.

THE PARAMETERS OF THIS PHILOSOPHY INCLUDE UTILIZING APPROPRIATE NATIONAL AND REGIONAL PEER GROUPS. SALARIES ARE TARGETED AT THE 50TH PERCENTILE OF THE NATIONAL PEER GROUP, WITH PERFORMANCE BASED VARIABLE PAY OPPORTUNITIES TO ACHIEVE UP TO THE 65TH PERCENTILE, DEPENDING ON ORGANIZATION AND INDIVIDUAL RESULTS.

COMPENSATION LEVELS ARE APPROVED BY THE NETWORK COMPENSATION COMMITTEE FOR THE UVM HEALTH NETWORK/DIRECT REPORTS AND THE AFFILIATE HOSPITAL CEOS. CALCULATIONS ARE PERFORMED USING THE SAME PHILOSPHY FOR THE THIRD TIER OF

LEADERSHIP, WITH THE EXCEPTION THAT THE LOCAL BOARDS APPROVE COMPENSATION FOR ALL NON-CEO POSITIONS. ALL ACTIONS TAKEN REGARDING EXECUTIVE COMPENSATION ARE CONTEMPORANEOUSLY DOCUMENTED BY THE APPROPRIATE ORGANIZATION. THIS REVIEW IS PERFORMED ANNUALLY.

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

GOVERNANCE DOCUMENTS CONSIST OF THE ORGANIZATION'S ARTICLES OF INCORPORATION AND BYLAWS. THE ARTICLES OF INCORPORATION ARE FILED WITH THE VERMONT SECRETARY OF STATE AND ARE PUBLICLY AVAILABLE THROUGH THAT OFFICE. THE BYLAWS ARE NOT PUBLICLY POSTED, BUT A COPY WOULD BE FURNISHED TO ANY MEMBER OF THE PUBLIC WHO REQUESTED ONE.

THE CONFLICT OF INTEREST POLICY IS NOT PUBLICLY POSTED, BUT A COPY WOULD BE FURNISHED TO ANY MEMBER OF THE PUBLIC WHO REQUESTED ONE.

WITH THE ENACTMENT OF VERMONT'S ACT 48 IN MAY 2011, THE GREEN MOUNTAIN CARE BOARD (GMCB) BECAME THE REGULATORY BODY OVERSEEING HOSPITALS IN THE STATE OF VERMONT. AS A RESULT, THE BUDGET FOR UVM MEDICAL CENTER IS SUBJECT TO REVIEW BY THE GMCB ON AN ANNUAL BASIS. ONGOING DISCLOSURE OF OPERATING RESULTS IS ALSO REQUIRED AND UVM MEDICAL CENTER SUBMITS ITS FINANCIAL STATEMENTS REGULARLY THROUGHOUT THE YEAR. UVM MEDICAL CENTER ALSO REGULARLY DISCLOSES ITS FINANCIAL RESULTS ON ITS WEBSITE AND SUBMITS PRESS RELEASES RELATING TO PERFORMANCE ON A REGULAR BASIS TO LOCAL NEWS ORGANIZATIONS. THE ANNUAL EXTERNAL AUDIT OF THE UVM HEALTH NETWORK IS ALSO POSTED ON THE WEB SITE AND IS ATTACHED TO THE CURRENT YEAR'S FORM 990.

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

TRANSFER OF NET ASSETS -823,932.

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

PENSION ADJUSTMENT	129,000.
ASSETS RELEASED FROM RESTRICTIONS	-305,477.
CHANGE IN PERPETUAL TRUSTS	416,759.
TRANSFER OF ASSETS- UVMMG NY	-781,529.
ELIMINATIONS AND OTHER	-470,186.
TOTAL TO FORM 990, PART XI, LINE 9	-1,835,365.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: THE UNIVERSITY OF VERMONT MEDICAL CENTER

Employer identification number: 03-0219309

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
UVM MEDICAL CTR SKILLED NURSING - 03-0219309 111 COLCHESTER AVENUE BURLINGTON, VT 05401	HOLDING COMPANY	VERMONT	0.	3,542,000.	UVMMC
UVMHN SPECIALTY CARE TRNSPT - 03-0219309 111 COLCHESTER AVENUE BURLINGTON, VT 05401	AMBULANCE SVC	VERMONT	770,000.	1,686,000.	UVMMC
UVM MEDICAL CTR EXEC SERVICES - 03-0219309 111 COLCHESTER AVENUE BURLINGTON, VT 05401	EXEC STAFFING	VERMONT	0.	0.	UVMMC
116 REALTY LLC - 46-1594847 111 COLCHESTER AVENUE BURLINGTON, VT 05401	REALTY	VERMONT	-15,000.	0.	UVMMC

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
UVM HEALTH NETWORK MEDICAL GROUP, INC. - 03-0225105, 111 COLCHESTER AVENUE, BURLINGTON, VT 05401	PHYSICIAN SVC	VERMONT	501(C)(3)	12A-I	UVMHN	X	
UVM MED GROUP-NEW YORK PLLC - 20-3905216 70 CONSTABLE STREET MALONE, NY 12953	PHYSICIAN SVC	NEW YORK	501(C)(3)	3	UVMHNMG	X	
UVM MED CTR FOUNDATION, INC - 26-3159849 111 COLCHESTER AVENUE BURLINGTON, VT 05401	FUNDRAISING	VERMONT	501(C)(3)	12A-I	UVMMC	X	
UVMMC AUXILLARY, INC - 20-8022004 111 COLCHESTER AVENUE BURLINGTON, VT 05401	SERVICE	VERMONT	501(C)(3)	12C-III-FI	N/A		X

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

Schedule R (Form 990) 2017

732161 09-11-17 LHA

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	No
UNIVERSITY OF VERMONT HEALTH NETWORK INC - 45-2880726, 111 COLCHESTER AVENUE, BURLINGTON, VT 05401	HOLDING COMPANY	VERMONT	501(C)(3)	12A-I	N/A		X
CENTRAL VERMONT MEDICAL CENTER - 22-2547186 130 FISHER ROAD BERLIN, VT 05602	HOSPITAL	VERMONT	501(C)(3)	3	UVMHN	X	
UNIVERSITY HEALTH CENTER - 03-0229931 111 COLCHESTER AVENUE BURLINGTON, VT 05401	HOSPITAL	VERMONT	501(C)(3)	12C-III-FI	UVMHNMG	X	
COMMUNITY PROVIDERS, INC. - 22-2544844 75 BEEKMAN STREET PLATTSBURGH, NY 12901	HEALTH SVC COOR	NEW YORK	501(C)(3)	12A-I	UVMHN	X	
CHAMPLAIN VALLEY PHYSICIANS HOSPITAL - 14-1338471, 75 BEEKMAN STREET, PLATTSBURGH, NY 12901	HOSPITAL	NEW YORK	501(C)(3)	3	UVMHN	X	
ELIZABETHTOWN COMMUNITY HOSPITAL - 14-1364513, 75 PARK STREET, ELIZABETHTOWN, NY 12932	HOSPITAL	NEW YORK	501(C)(3)	3	UVMHN	X	
EMERGENCY MEDICAL TRANSPORT OF CVPH, INC - 06-1718419, 75 BEEKMAN STREET, PLATTSBURGH, NY 12901	AMBULANCE SVC	NEW YORK	501(C)(3)	12B-II	CPI	X	
CVPH MEDICAL CENTER FOUNDATION - 14-1727048 75 BEEKMAN STREET PLATTSBURGH, NY 12901	HEALTH SVC COOR	NEW YORK	501(C)(3)	12B-II	CVPH	X	
UNIVERSITY MEDICAL EDUCATION ASSOCIATES - 23-7107832, 89 BEUMONT AVENUE, BURLINGTON, VT 05405	EDUCATIONAL	VERMONT	501(C)(3)	10	UVMHNMG	X	
ALICE HYDE MEDICAL CENTER - 15-0346515 133 PARK STREET MALONE, NY 12953	HOSPITAL	NEW YORK	501(C)(3)	3	UVMHN	X	
PORTER MEDICAL CENTER INC - 03-0310862 115 PORTER DRIVE MIDDLEBURY, VT 05753	SUPPORTING ORG	VERMONT	501(C)(3)	12-BII	UVMHN	X	
HELEN PORTER NURSING HOME - 03-0306549 37 PORTER DRIVE MIDDLEBURY, VT 05753	NURSING HOME	VERMONT	501(C)(3)	3	PMC	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	No
AUXILIARY OF PORTER MEDICAL CENTER - 23-7363227, 37 PORTER DRIVE, MIDDLEBURY, VT 05753	SUPPORTING ORG	VERMONT	501(C)(3)	12-B,II	PMC	X	
PORTER HOSPITAL INC - 03-0181058 37 PORTER DRIVE MIDDLEBURY, VT 05753	HOSPITAL	VERMONT	501(C)(3)	3	PMC	X	
UVMHN HOME HEALTH AND HOSPICE - 03-0179603 1110 PRIM ROAD COLCHESTER, VT 05446	HOME HEALTHCARE	VERMONT	501(C)(3)	10	UVMHN	X	
LAKE CHAMPLAIN PHYSICIAN SERVICES, P.C. - 27-3785445, 75 BEEKMAN STREET, PLATTSBURGH, NY 12901	PHYSICIAN SVC	NEW YORK	501(C)(3)	12A-I	CVPH	X	
VMC INDEMNITY COMPANY, INC. - 83-1102018 95 ST. PAUL ST. BURLINGTON, VT 05401	INSURANCE	VERMONT	501(C)(3)	12A-I	UVMHN	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
ONECARE VERMONT ACO - 45-5399218, 111 COLCHESTER AVE, BURLINGTON, VT 05401	ACCOUNTABLE CARE	VT	N/A	RELATED	6,346,352.	7,838,768.		X	N/A	X		50.00%
ADIRONDACK ACO, LLC - 46-2840926, 75 BEEKMAN STREET, PLATTSBURGH, NY 12901	ACCOUNTABLE CARE	NY	N/A	N/A				X	N/A	X		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
VMC INDEMNITY COMPANY, LTD PO BOX HM 3103, 25 CHURCH STREET HAMILTON, HM FX, BERMUDA	CAPTIVE INSURANCE	BERMUDA	UVMMC	C CORP	13,792,885.	35,925,791.	100%	X	
UVM HEALTH NETWORK CREDENTIALING & ENROLLMENT - 03-0333056, 111 COLCHESTER AVENUE, BURLINGTON, VT 05401	ADMIN SERVICE	VT	UVMHN VENTURES	C CORP				X	
CHARITABLE REMAINDER TRUST (5)	SUPPORT	VT	UVMMC/CVMC	TRUST				X	
PERPETUAL TRUST (4)	SUPPORT	VT	UVMMC	TRUST				X	
CHARITABLE IRREVOCABLE TRUST (7)	SUPPORT	VT	UVMMC/CVMC	TRUST				X	

Part IV **Continuation of Identification of Related Organizations Taxable as a Corporation or Trust**

(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
CHAMPLAIN VALLEY HEALTH NETWORK - 16-1586102 75 BEEKMAN STREET PLATTSBURGH, NY 12901	ADMIN SERVICE	NY	N/A	C CORP				X	
MEDIQUEST INC - 14-1663061 P.O. BOX 1656 PLATTSBURGH, NY 12901	MED OFFICE LEASE	NY	N/A	C CORP				X	
UVMHN VENTURES INC. - 04-3380045 111 COLCHESTER AVENUE BURLINGTON, VT 05401	HOLDING COMPANY	VT	N/A	C CORP				X	
YANKEE MEDICAL INC. - 03-0225363 276 NORTH AVENUE BURLINGTON, VT 05401	HOME MEDICAL EQUIPMENT	VT	N/A	C CORP				X	

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

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

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

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	UNIVERSITY OF VERMONT MEDICAL GROUP	P	196,914,671.	FMV
(2)	VMC INDEMNITY COMPANY	R	11,005,081.	FMV
(3)	UNIVERSITY HEALTH CENTER	C	913,044.	COST
(4)	UNIVERSITY MEDICAL EDUCATION ASSOCIATES	Q	14,094,364.	COST
(5)	UNIVERSITY OF VERMONT HEALTH NETWORK HEALTH VENTURES	Q	69,576.	FMV
(6)	UNIVERSITY OF VERMONT HEALTH NETWORK HOME HEALTH AND HOSPICE	O	336,206.	FMV

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) UNIVERSITY OF VERMONT HEALTH NETWORK HOME HEALTH AND HOSPICE	P	83,691.	FMV
(8) PORTER MEDICAL CENTER INC.	L	455,696.	FMV
(9) PORTER MEDICAL CENTER INC.	O	178,969.	FMV
(10) PORTER MEDICAL CENTER INC.	P	265,949.	FMV
(11) PORTER MEDICAL CENTER INC.	Q	1,033,830.	FMV
(12) ALICE HYDE MEDICAL CENTER	L	96,086.	FMV
(13) ALICE HYDE MEDICAL CENTER	P	224,437.	FMV
(14) ALICE HYDE MEDICAL CENTER	Q	1,284,528.	FMV
(15) CENTRAL VERMONT MEDICAL CENTER	A	389,779.	FMV
(16) CENTRAL VERMONT MEDICAL CENTER	I	199,026.	FMV
(17) CENTRAL VERMONT MEDICAL CENTER	L	481,692.	FMV
(18) CENTRAL VERMONT MEDICAL CENTER	M	203,376.	FMV
(19) CENTRAL VERMONT MEDICAL CENTER	O	2,989,715.	FMV
(20) CENTRAL VERMONT MEDICAL CENTER	P	514,388.	FMV
(21) CENTRAL VERMONT MEDICAL CENTER	Q	3,370,398.	FMV
(22) CENTRAL VERMONT MEDICAL CENTER	R	73,880.	FMV
(23) CENTRAL VERMONT MEDICAL CENTER	S	792,542.	FMV
(24) ELIZABETHTOWN COMMUNITY HOSPITAL	O	117,734.	FMV

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) ELIZABETHTOWN COMMUNITY HOSPITAL	Q	460,667.	FMV
(8) ELIZABETHTOWN COMMUNITY HOSPITAL	R	1,157,938.	FMV
(9) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	I	958,157.	FMV
(10) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	L	463,761.	FMV
(11) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	M	3,706,824.	FMV
(12) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	O	294,851.	FMV
(13) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	P	843,030.	FMV
(14) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	Q	4,910,950.	FMV
(15) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	R	20,939,243.	FMV
(16) UVM HEALTH NETWORK VENTURES	A	126,391.	FMV
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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

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

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

Part VII Supplemental Information.

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

SCHEDULE R, PART IV, LINE 5

UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) HAS BENEFICIAL INTEREST IN 4 OF THESE TRUSTS. CENTRAL VERMONT MEDICAL CENTER (CVMC) HAS BENEFICIAL INTEREST IN 3 OF THESE TRUSTS.

SCHEDULE R, PART V

UVM MEDICAL CENTER LEASES AND SHARES FACILITIES, EQUIPMENT, AND OTHER ASSETS WITH ITS RELATED ORGANIZATIONS. THE VALUE OF THESE TRANSACTIONS IS INDETERMINABLE.

The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information
September 30, 2018 and 2017

The University of Vermont Health Network Inc. and Subsidiaries
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September 30, 2018 and 2017

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Report of Independent Auditors

To the Board of Trustees of
The University of Vermont Health Network Inc.

We have audited the accompanying consolidated financial statements of The University of Vermont Health Network Inc. and its subsidiaries (the "Network"), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the Network'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 Network'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.

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Suite 500, Boston, Massachusetts 02210
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The University of Vermont Health Network Inc. and its subsidiaries as of September 30, 2018 and 2017, and the results of their operations, their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the consolidated financial statements, the Network changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2018. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating 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 to 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets, and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
January 23, 2019

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Balance Sheets
September 30, 2018 and 2017

(in thousands)	2018	2017
Assets		
Current assets		
Cash and cash equivalents	$ 246,681	$ 264,293
Short-term investments	32,932	28,910
Current portion of assets whose use is limited or restricted	54,523	93,349
Patient and other trade accounts receivable - net of allowance for doubtful accounts of $46,603 and $48,557, respectively	237,633	238,902
Inventories	43,396	38,672
Receivables from third-party payers	8,993	4,134
Prepaid and other current assets	44,079	40,945
Total current assets	668,237	709,205
Assets whose use is limited or restricted		
Board-designated assets	656,229	614,890
Assets held by trustee under bond indenture agreements	3,881	4,981
Restricted assets	27,423	9,777
Donor-restricted assets for specific purposes	45,747	41,541
Donor-restricted assets for permanent endowment	44,900	36,580
Total assets whose use is limited or restricted	778,180	707,769
Property and equipment, net	867,372	765,727
Other	53,220	47,099
Total assets	$ 2,367,009	$ 2,229,800
Liabilities and Net Assets		
Current liabilities		
Current installments of long-term debt	$ 29,168	$ 39,368
Accounts payable	61,530	56,169
Accrued expenses and other liabilities	57,671	58,449
Accrued payroll and related benefits	123,216	107,593
Current portion of third-party payer settlements	15,810	11,708
Incurred but not reported claims	13,855	24,087
Total current liabilities	301,250	297,374
Long-term liabilities		
Long-term debt - net of current installments	602,684	588,448
Malpractice and workers' compensation claims, net of current portion	39,310	26,192
Pension and other postretirement benefit obligations	64,233	89,297
Third-party payer settlements, net of current portion	21,624	19,073
Other	35,381	36,685
Total long-term liabilities	763,232	759,695
Total liabilities	1,064,482	1,057,069
Net assets		
Without donor restrictions	1,195,635	1,083,350
With donor restrictions		
Time or purpose	60,750	50,938
Perpetual	46,142	38,443
Total net assets	1,302,527	1,172,731
Total liabilities and net assets	$ 2,367,009	$ 2,229,800

The accompanying notes are an integral part of these consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2018 and 2017

(in thousands)	2018	2017
Revenue and other support without donor restrictions		
Net patient service revenue	$ 1,861,197	$ 1,858,288
Less: Provision for bad debts	(50,293)	(45,277)
Net patient service revenue after provision for bad debts	1,810,904	1,813,011
Enhanced Medicaid Graduate Medical Education revenues-Hospital	10,389	10,312
Enhanced Medicaid Graduate Medical Education revenues-Professional	19,611	19,133
Net patient service revenue after provision for bad debts and Enhanced Medicaid Graduate Medical Education revenues	1,840,904	1,842,456
Fixed prospective payment revenue	159,172	28,340
Premium revenue	6,487	9,040
Outpatient and specialty pharmacy revenue	103,849	84,532
Net assets released from restrictions	3,342	2,773
Other revenue	56,149	46,844
Total revenue and other support without donor restrictions	2,169,903	2,013,985
Expenses		
Salaries, payroll taxes and fringe benefits	1,305,410	1,197,511
Supplies and other	522,953	469,841
Purchased services	116,368	93,995
Provider taxes	88,944	82,939
Depreciation and amortization	85,531	82,786
Interest expense	18,490	18,968
Total expenses	2,137,696	1,946,040
Income from operations	32,207	67,945
Nonoperating gains (losses)		
Investment income	26,435	58,244
Change in fair value of interest rate swap agreements	6,562	9,443
Contribution revenue from acquisitions	20,268	26,935
Other	(343)	(1,041)
Total nonoperating gains, net	52,922	93,581
Excess of revenue over expenses	85,129	161,526
Net change in unrealized gains (losses) on investments	2,898	(10,332)
Net assets released from restrictions for capital purchases	4,607	1,118
Pension related adjustments	19,542	52,816
Transfers and other adjustments	109	-
Increase in net assets without donor restictions	$ 112,285	$ 205,128

The accompanying notes are an integral part of these consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2018 and 2017

(in thousands)	2018	2017
Changes in net assets without donor restrictions:		
Excess of revenue over expenses	$ 85,129	$ 161,526
Net change in unrealized gains (losses) on investments	2,898	(10,332)
Net assets released from restrictions for capital purchases	4,607	1,118
Pension related adjustments	19,542	52,816
Transfers and other adjustments	109	-
Increase in net assets without donor restrictions	112,285	205,128
Changes in net assets with donor restrictions:		
Gifts, grants and bequests	10,750	6,253
Investment income	1,028	602
Net change in unrealized (losses) gains on investments	(408)	792
Net realized gains on investments	2,453	3,342
Net assets released from restrictions used in operations	(3,567)	(2,773)
Net assets released from restrictions used for nonoperating purposes	(493)	(229)
Net assets released from restrictions used for capital purchases	(4,607)	(1,118)
Change in beneficial interest in perpetual trusts	546	594
Acquisition of net assets with donor restrictions	11,198	3,963
Transfer of net assets	611	-
Increase in net assets with donor restrictions	17,511	11,426
Increase in net assets	129,796	216,554
Net assets		
Beginning of year	1,172,731	956,177
End of year	$ 1,302,527	$ 1,172,731

The accompanying notes are an integral part of these consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2018 and 2017

(in thousands)	2018	2017
Cash flows from operating activities		
Increase in net assets	$ 129,796	$ 216,554
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	85,531	82,786
Provision for bad debts	50,293	45,277
Contribution revenue from acquisition	(31,466)	(30,898)
Pension related adjustments	(19,542)	(52,816)
Contributions restricted for long-term use	(2,333)	(904)
Loss (gain) on disposal of property and equipment	(273)	288
Loss on interest rate swap agreements	(6,562)	(9,443)
Realized and changes in unrealized gains on investments	(27,439)	(42,261)
Undistributed gains of affiliated companies	(3,369)	(68)
Change in beneficial interest in perpetual trusts	(546)	(594)
Increase (decrease) in cash resulting from a change in		
Patient and other accounts receivable	(45,317)	(51,771)
Other current and noncurrent assets	(14,576)	(9,984)
Accounts payable and accrued expenses	(2,571)	(11,512)
Accrued payroll and related expenses	12,897	(2,348)
Other current and noncurrent liabilities	7,547	(3,505)
Estimated settlements with third-party payer settlements	(156)	9,447
Pension and other postretirement benefit obligations	(4,146)	13,378
Net cash provided by operating activities	127,768	151,626
Cash flows from investing activities		
Purchases of property and equipment	(166,379)	(107,567)
Proceeds from sale of property and equipment	302	140
Purchase of investments	(119,093)	(911,360)
Proceeds from sale of investments	137,318	838,477
Use of bond proceeds deposited with trustees	-	2,424
Payments for acquisition, net of cash acquired	(4,927)	18,714
Net cash used in investing activities	(152,779)	(159,172)
Cash flows from financing activities		
Proceeds from restricted contributions & restricted investment income	2,333	904
Payments on long-term debt	(28,813)	(74,502)
Proceeds from debt issuance	40,313	101,544
Payment of debt issuance costs	(18)	(626)
Borrowings on line of credit	11,033	15,471
Repayments on line of credit	(17,449)	(13,966)
Net cash provided by financing activities	7,399	28,825
Net (decrease) increase in cash and cash equivalents	(17,612)	21,279
Cash and cash equivalents		
Beginning of year	264,293	243,014
End of year	$ 246,681	$ 264,293
Supplemental cash flow information		
Contribution from acquisitions, net of cash paid/acquired	$ 29,086	$ 12,184
Cash paid during the year for interest	18,401	18,631
Capital expenditures included in accounts payable	18,969	16,176
Assets acquired under capital lease	236	3,606

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

The University of Vermont Health Network Inc. ("UVM Health Network"), is a non-profit, tax-exempt Vermont corporation and the sole corporate member of University of Vermont Medical Center, Inc., University of Vermont Health Network Medical Group, Inc., University of Vermont Health Network - Central Vermont Medical Center, Inc., University of Vermont Health Network - Porter Medical Center, Inc., University of Vermont Health Network – Champlain Valley Physicians Hospital Medical Center, University of Vermont Health Network – Elizabethtown Community Hospital, University of Vermont Health Network – Alice Hyde Medical Center, Community Providers, Inc., UVM Health Network Health Ventures, Inc., and University of Vermont Health Network – Home Health & Hospice. UVM Health Network's purpose is to establish an integrated regional health care system for the development of a highly coordinated health care network to improve the quality, increase the efficiencies, and lower the costs of health care delivery in the regions it serves.

The University of Vermont Medical Center, Inc. ("UVM Medical Center") is a tertiary care teaching hospital that, in affiliation with The University of Vermont ("UVM"), serves as Vermont's academic medical center. As a regional referral center, UVM Medical Center provides advanced level care throughout Vermont and Northern New York, with a full time emergency department which is also certified as a Level 1 Trauma Center. It is UVM Medical Center's mission to improve the health of the people in the communities that it serves by integrating patient care, education, and research in a caring environment. As a charitable organization, UVM Medical Center lives its mission through a number of community benefit programs, many done in collaborative partnership with other community based organizations. These include, but are not limited to, community wellness programs, education, direct grants, free access to a community health resource center, direct financial assistance to patients, and other subsidized programs.

UVM Medical Center is the sole member of the following subsidiaries: University of Vermont Health Network Specialty Care Transport, LLC; University of Vermont Medical Center Skilled Nursing, LLC; University of Vermont Medical Center Foundation, Inc.; University of Vermont Medical Center Executive Services, LLC; and VMC Indemnity Company Ltd. ("VMCIC"). The following entities are partly owned or controlled by UVM Medical Center: Medical Education Center Condominium Association, Inc.; Copley Woodlands, Inc.; University of Vermont Health Network Medical Group – New York, PLLC; and OneCare Vermont Accountable Care Organization, LLC ("OCV").

OCV is a 50/50 joint venture between UVM Medical Center and Dartmouth Hitchcock Health and a statewide accountable care organization that comprises an extensive network of providers across the full continuum of care, including hospitals in Vermont and New Hampshire, hundreds of primary and specialty care physicians, federally qualified health centers, designated agencies for mental health and substance use, skilled nursing facilities, home health agencies, and area agencies on aging.

The University of Vermont Health Network Medical Group, Inc., ("UVMHN Medical Group") is organized to serve as the governing organization for physicians who are employed to provide clinical services to affiliated, member hospitals of the UVM Health Network. The purpose of the UVMHN Medical Group is to advance the clinical care, education, and training missions of UVM Health Network and its affiliated member hospitals and the education, training, and research missions of the University of Vermont College of Medicine.

The University of Vermont Health Network - Central Vermont Medical Center, Inc. ("CVMC") provides health care services under three distinct business units: Central Vermont Hospital, Woodridge Rehabilitation and Nursing ("Woodridge"), and Central Vermont Medical Group Practice. CVMC works collaboratively to meet the needs and improve the health of the residents of central Vermont. CVMC's hospital provides 24-hour emergency care and has a full spectrum of inpatient and outpatient services.

The University of Vermont Health Network – Porter Medical Center, Inc. ("PMC") was organized in 1986 to serve as a parent holding company for three subsidiaries: Porter Hospital, Inc. ("Porter Hospital"), Helen Porter Nursing Home, Inc. ("HPNH") and Porter Real Estate Holdings, LLC ("PREH"). Porter Hospital operates a 25-bed not-for-profit critical access hospital. HPNH operates a 105-bed not-for-profit long-term community oriented skilled healthcare and rehabilitation center. PREH is a single-member LLC real estate holding company that is owned 100% by PMC. All of these companies are Vermont corporations and operate out of facilities in Middlebury, Vermont.

The University of Vermont Health Network – Community Providers, Inc. ("CPI"), includes Mediquest Corp., Emergency Medical Transport of CVPH, Inc., Lake Champlain Physician Services, P.C. ("LCPS"), and Champlain Valley Health Network, Inc. ("CVHN").

The University of Vermont Health Network – Champlain Valley Physicians Hospital Medical Center ("CVPH") is the sole member of CVPH Foundation, Inc. ("Foundation"), Champlain Valley Open MRI, LLC, and Valcour Imaging, Inc., and is a member in Adirondack Accountable Care Organization, LLC ("ADK ACO"). CVPH is part of a six-hospital network serving patients and their families in northern New York and Vermont.

The University of Vermont Health Network – Alice Hyde Medical Center ("AHMC") is a not-for-profit corporation, incorporated in the State of New York, located in Malone, New York. The Medical Center operates 76 acute care beds, 135 nursing facility beds and 30 resident assisted living program in addition to providing emergency and outpatient services.

The University of Vermont Health Network – Elizabethtown Community Hospital ("ECH"), located in Elizabethtown, Essex County, New York, is a 25-bed hospital designated by Medicare and Medicaid as a Critical Access Hospital. The Hospital provides inpatient, outpatient, and emergency care services for residents in Essex County and admitting physicians are primarily practioners in the local area. Effective April 10, 2018, certain assets and liabilities of Moses - Ludington Hospital, a 15 – bed critical access hospital and real property of Moses – Ludington Nursing Home Company, Inc. both located in Ticonderoga, New York were acquired by ECH. In connection with this transaction, ECH acquired net assets of $8,900,000 in exchange for $7,300,000 of cash, resulting in an inherent contribution of $1,600,000, including $336,000 of net assets with donor restrictions.

The University of Vermont Health Network – Home Health & Hospice, Inc., ("HH&H"), is a non-profit corporation organized in Vermont. The primary purpose is to provide home care services to residents of Chittenden and Grand Isle Counties.

The UVM Health Network Ventures is a for profit holdings company that holds the various, for profit investment activities of the UVM Health Network.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of UVM Health Network and its subsidiaries for which it controls or serves as the sole corporate member. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowances for doubtful accounts and contractual allowances, receivables and accruals for estimated settlements with third-party payers, contingencies, self-insurance program liabilities, accrued medical claims, pension and postretirement costs, and the valuation of investments and interest rate swaps. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less when purchased, excluding amounts classified as assets whose use is limited or restricted.

Most of UVM Health Network's banking activity, including cash and cash equivalents, is maintained with multiple regional banks and cash deposits exceed federal insurance limits. It is UVM Health Network's policy to monitor these banks' financial strength on an ongoing basis.

Inventories

Inventories are stated using the lesser of average cost or fair value.

Prepaid and Other Current Assets

Prepaid and other current assets include miscellaneous nontrade receivables and prepaid expenses primarily related to software maintenance and other contracts.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted primarily include board-designated assets, assets held by trustees under indenture agreements, donor-restricted assets, and restricted assets which are held for insurance-related liabilities. Board-designated assets may be used at the Board's discretion. A significant portion of the assets are made up of investments.

Investments and Investment Income

During fiscal 2018, the UVM Health Network, excluding HH&H and PMC, consolidated all non-pension investment assets into a pooled/unitized structure to gain efficiencies in managing the various investment portfolios, simplify the trading process, and reduce trading and investment manager fees. Assets were separated into five asset class pools: cash, domestic equity, international equity, fixed income and liquid alternative investments. Each participating entity owns a percentage share of each asset class pool depending on its unique asset allocation. Trading is executed at the asset class pool level and allocated down to each investment portfolio based on their pro-rata ownership of each pool. Fair value of the asset class pools is determined by aggregating the fair value of the underlying investments within each pool.

Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are recorded at fair value. Investments for which a fair value is not readily determinable, including investments in hedge funds, are either recorded at cost or at their reported fair value based on information provided by the fund manager, and are reviewed for reasonableness by management. Investment income or loss (including realized gains and losses on investments, interest, and dividends), to the extent not capitalized, is included in nonoperating gains (losses), unless the income or gain (loss) is restricted by donor or law. Realized gains or losses on the sale of investments are determined by use of average costs. Unrealized gains and losses on investments carried at fair value are excluded from the excess of revenue over expenses and reported as an increase or decrease in net assets. Declines in fair value that are judged to be other-than-temporary are reported as realized losses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

UVM Health Network reviews its investments to identify those for which fair value is below cost. UVM Health Network then makes a determination as to whether the investment should be considered other-than-temporarily impaired. UVM Health Network recognized $8,849,000 and $0 in losses related to declines in value that were other-than-temporary in nature for the years ended September 30, 2018 and 2017, respectively, which is included as an offset to investment income in the statement of operations.

Property and Equipment
Property and equipment acquisitions are recorded at cost or, in the case of gifts, at fair market value at the date of the gift. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Depreciation is calculated using the following estimated useful lives:

Land improvements	2 – 25 years
Leasehold improvements	2 – 30 years
Building and improvements	5 – 40 years
Equipment, furniture, and fixtures	3 – 30 years

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as support without donor restrictions and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions is reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

Costs of Borrowing
Interest cost incurred on borrowed funds during the period of construction of capital assets, net of investment income on borrowed assets held by trustees, is capitalized as a component of the cost of acquiring those assets. Approximately $4,661,000 and $4,297,000 of interest was capitalized during the years ended September 30, 2018 and 2017, respectively. Net deferred financing costs totaled $2,720,000 and $2,495,000 at September 30, 2018 and 2017, respectively. Such amounts are reported as an offset to long term debt and are amortized over the period the related obligations are outstanding using the effective interest method. Accumulated amortization of deferred financing costs totaled $1,076,000 and $851,000 at September 30, 2018 and 2017, respectively.

Net Assets with Donor Restriction
Net assets with donor restrictions include those whose use by UVM Health Network has been restricted by donors or law for a specific purpose, time period or both, either temporarily or in perpetuity.

Consolidated Statement of Operations
For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and other support and expenses without donor restrictions. Peripheral or incidental transactions are reported as nonoperating gains (losses).

UVM Health Network's measure of operations as presented in the consolidated statements of operations includes revenue from health care services, pharmacy revenue, grants and contracts, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statement of activities by natural classification.

Excess of Revenue over Expenses
The consolidated statements of operations include the excess of revenue over expenses. Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses, consistent with industry practice, primarily include unrealized gains and losses on investments (other than those on which other-than-temporary losses are recognized), contributions of long-lived assets (including assets acquired using contributions restricted by donors for acquiring such assets) and pension related adjustments.

Net Patient Service Revenue and Fixed Prospective Payment Renenue
Net patient service revenue is reported at the estimated net realizable amounts due from patients and third-party payers for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Under the terms of various agreements, regulations, and statutes, certain elements of third-party reimbursement are subject to negotiation, audit, and/or final determination by the third-party payers. In addition, laws and regulations governing Medicare and Medicaid programs are 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. Differences between amounts previously estimated for retroactive adjustments and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known. Changes in prior-year estimates increased (decreased) net patient service revenue by approximately $7,556,000 and ($2,832,000) in the years ended September 30, 2018 and 2017, respectively.

Beginning January 1, 2017, UVM Medical Center, CVMC and PMC began to receive monthly fixed prospective payments for services provided by hospitals (and hospital-owned practices) participating in the Vermont Medicaid Next Generation Accountable Care Organization ("ACO") Pilot Program. As of January 1, 2018, the same entities entered into participation agreements with OCV for the Medicare Next Generation ACO, the Vermont Medicaid Next Generation ACO, and the Commercial Blue Cross Blue Shield of Vermont ("BCBS") ACO programs; all three programs encompass services provided by hospitals (and hospital-owned practices) participating in the ACO arrangement. The Medicare and Medicaid programs provide for a monthly, per member payment received in advance of the services being performed and recognized as revenue in the month to which it relates. The BCBS program pays fee for service and provides for a reconciliation process at the end of the fiscal year. The revenues for the Medicare and Medicaid programs are recorded on the fixed prospective payment line on the statement of operations. Fee-for-service payments continue for all other non-hospital providers in the ACO, for all providers who are not a part of the ACO, and for all services that are not included in the fixed prospective payment. The ACO is responsible for both the cost and quality of care for each attributed member. This is true whether that person uses little or no care or whether they require services consistently throughout the year. UVM Medical Center, CVMC and PMC recognize their share of annual contract settlements as an increase or decrease to fixed prospective revenue.

CVPH, through the Adirondack Regional Medical Home Pilot, which was established as a joint venture initiative of medical providers and public and private insurers to transform healthcare deliver in the rural, upstate New York region, receives monthly fixed prospective payments for the provision of care management services. This is a monthly, per member payment received in advance of the services being performed and recognized as revenue in the month to which it relates.

UVM Health Network has agreements with third-party payers that provide for payments to UVM Health Network at amounts different from its established rates. A summary of the payment arrangements with major third-party payers both Fee For Service ("FFS") and Fixed Prospective Payments ("FPP"), is as follows:

Medicare
Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient rehabilitation services are paid based on a prospective per discharge methodology. These rates vary according to a patient classification system based upon services provided, the patient's level of functionality and other factors. Outpatient services are paid based upon a prospective standard rate for procedures performed or services rendered. UVM Health Network is reimbursed for cost-reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by UVM Health Network and audits thereof by the Medicare Audit Contractor ("MAC"). Medicare reimbursement for professional billings is determined by a standard fee schedule that is determined by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services. The percentage of net patient service revenue and FPP revenue derived from the Medicare program was approximately 34% (28% FFS and 6% FPP) and 33% (33% FFS and 0% FPP) in the years ended September 30, 2018 and 2017, respectively.

Medicaid
Inpatient services rendered to Vermont Medicaid program beneficiaries are paid at prospectively determined rates per discharge. As with Medicare, reimbursement is based on a diagnosis-related group ("DRG") system that is based on clinical, diagnostic, and other factors. In Vermont, additional reimbursement for inpatient rehabilitation and neonatal cases is paid through a per diem add-on. In Vermont, additional reimbursement for inpatient psychiatric cases is based on a per diem rate calculation, including adjustments for diagnostic factors and length of stay. Outpatient services rendered to Vermont Medicaid beneficiaries are paid based upon a prospective standard rate. Certain laboratory, mammography, therapy, and dialysis services are paid on a fee schedule. Outpatient services rendered to New York Medicaid beneficiaries are paid under an Ambulatory Patient Group ("APG"). Ancillaries (i.e. lab) ordered by an Article 28 provider get bundled into the clinic visit and are paid under an APG. Medicaid reimbursement for professional services is determined by a standard fee schedule. The Medicaid program accounts for approximately 12% (10% FFS and 2% FPP) and 9% (8% FFS and 1% FPP) of UVM Health Network's net patient service revenue and FPP revenue for the years ended September 30, 2018 and 2017, respectively.

Managed Care and Commercial Insurers
Services rendered to patients with commercial insurance are generally reimbursed at standard charges, less a negotiated discount or according to DRG or negotiated fee schedules. Approximately 47% (47% FFS and 0% FPP) and 50% (49% FFS and 1% FPP) of UVM Health Network's net patient service and FPP revenue were derived from contracted insurers in the years ended September 30, 2018 and 2017. Approximately 8% of UVM Health Network's net patient service revenue and FPP revenue were derived from non-contracted insurers in the years ended September 30, 2018 and 2017, respectively.

Enhanced Medicaid Graduate Medical Education Revenues (Hospital and Professional)
Under an Amendment to the Vermont State Medicaid Plan TN#11-019 (the "State Plan Amendment"), UVM Medical Center received increased Vermont Medicaid payments to support graduate medical education ("GME") beginning in fiscal year 2013. The State Plan Amendment provided for enhanced Medicaid payments of GME through two funding mechanisms: (1) payments to "qualified teaching hospitals" and (2) payments to "qualified teaching physicians." Under the definitions contained in the State Plan Amendment, UVM Medical Center is a qualified teaching hospital and physicians employed by UVM Medical Group are qualified teaching physicians.

The nonfederal source of these payments was provided by payments from UVM from its governmental appropriations from the State of Vermont ("the State"). UVM has entered into a contract with the State to provide annual amounts during the State's fiscal year as the nonfederal share of GME payments for that year. UVM Medical Center expects that UVM will enter into similar contracts for subsequent years, though there is no assurance of this. UVM Medical Center entered into a contract with the State, by which UVM Medical Center agrees to assess and monitor program benefits to Medicaid beneficiaries and to report to the State annually on its performance on certain quality measures and improvement focus areas for Medicaid beneficiaries pertaining to UVM Medical Center's GME programs, and the State agrees to provide GME payments to UVM Medical Center during the State fiscal year. UVM Medical Center expects to enter into similar contracts with the State for future years, but these are subject to continued funding by UVM of the nonfederal source. The State, UVM Medical Center and UVM have also entered into a Memorandum of Understanding ("MOU"), dated July 1, 2017 through June 31, 2021 that describes the State Plan Amendment and these funding arrangements.

UVM Medical Center recognized enhanced GME revenue under the State Plan Amendment totaling $30,000,000 and $29,445,000 for the fiscal years ended September 30, 2018 and 2017, respectively. Under the MOU, both UVM and the State retain the right to discontinue GME payments at any time in the future.

Premium Revenue
Premium revenue consists primarily of payer incentives.

Outpatient and Specialty Pharmacy Revenue
Pharmacy revenue consists of sales of pharmaceuticals and related products, including 340b revenue.

Other Revenue
Other revenue consists primarily of research revenue, non-patient related contract revenues, cafeteria sales, parking garage income, net assets released from restrictions used for operations, and rental income.

Research Grants and Contracts
Revenue related to research grants and contracts is recognized as the related costs are incurred. Research grants and contracts are accounted for as exchange transactions. Amounts received in advance of incurring the related expenditures are recorded as unexpended research grants and are included within accrued expenses and other liabilities. Amounts expended in advance of the receipt of funding are included within patient and other trade accounts receivable.

Reserves for Outstanding Losses and Loss-Related Expenses for Malpractice and Workers' Compensation Claims
The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for malpractice losses incurred but not reported, losses pending settlement, as well as for workers' compensation claims and underwriting expenses. Such liabilities are not necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liabilities are actuarially reviewed on an annual basis and any adjustments required are reflected in estimated incurred but not reported medical claims.

Income Taxes
Entities within the UVM Health Network, with the exception of entities specifically named below, are incorporated and recognized by the Internal Revenue Service ("IRS") as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly, the IRS has determined that these organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. UVM Health Network Specialty Care Transport, UVM Medical Center Executive Services, and UVM Medical Center Skilled Nursing are single-member limited liability corporations. As such, for tax purposes, these organizations are treated as divisions of UVM Medical Center. OCV and ADK ACO are limited liability companies and treated for tax purposes as partnerships. Earnings and losses are passed through to the owners, which are tax-exempt, and are treated in the same manner for tax purposes. No provision for federal income taxes has been recorded in the accompanying consolidated financial statements for these organizations.

For tax years beginning after December 31, 2017, the Tax Cuts & Jobs Act provided for an excise tax on the sum of remuneration in excess of one million dollars paid to a covered employee, and an unrelated business income tax on the value of certain qualified transportation fringe benefits. The tax provisions and related liabilities for these items are not material to the consolidated financial statements.

University of Vermont Health Network Health Ventures, VMCIC, Mediquest and CVHN are for-profit subsidiaries subject to federal and state taxation. The tax provisions and related tax assets and liabilities for these entities are not material to the consolidated financial statements.

UVM Health Network accounts for recognition and measurement of uncertain tax positions in accordance with Accounting Standards Codification (ASC) 740 *Income Taxes*, which addresses how to account for and report the effects of taxes based on income. No provision for uncertain tax positions is recorded in the accompanying consolidated financial statements.

VMCIC is currently not a taxable entity under the provisions of the territory of Bermuda and, accordingly, no provision for taxes has been recorded by VMCIC. In the event that such taxes are levied, VMCIC has received an undertaking from the Bermuda Government exempting it from all such taxes until March 31, 2035.

Asset Retirement Obligations
UVM Health Network recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that UVM Health Network considers are those for which it has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control. The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized.

The estimated future undiscounted value of the asset retirement obligation is approximately $3,753,000 and $4,153,000 at September 30, 2018 and 2017, respectively, substantially all of which relates to the estimated costs to remove asbestos that is contained within UVM Health Network's facilities. The initial asset retirement obligation was calculated using discount rates of 2.0%-6.0%. The recorded asset retirement obligation at September 30, 2018 and 2017 was approximately $2,543,000 and $2,555,000, respectively.

Defined Benefit Pension and Other Postretirement Benefit Plans
UVM Health Network recognizes the overfunded or underfunded status of its defined benefit pension and other postretirement benefit plans (collectively, "postretirement benefit plans") in the consolidated balance sheets. Changes in the funded status of the plans are reported in the year in which the changes occur as a change in net assets without donor restrictions presented below the excess of revenue over expenses in the consolidated statements of operations and changes in net assets.

Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as an "exit price"). A fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In determining fair value, the use of various valuation approaches, including market, income, and cost approaches, is permitted.

GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

UVM Health Network uses the following fair value hierarchy to present its fair value disclosures:

Level 1 Quoted (unadjusted) prices for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for identical or similar assets in non-active markets (few transactions, limited information, noncurrent prices, high variability over time).
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates).
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities.

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the above fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Equities, Mutual Funds, Money Market Funds, and Real Estate Investment Trusts
The fair values of equities, mutual funds, money market funds, and real estate investment trusts are based on quoted market prices and are categorized as Level 1 or Level 2 based on the nature of the inputs.

Debt Securities
The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. The marketable debt securities classified as Level 1 are classified based on quoted prices of the actual debt instruments in active markets. The marketable debt securities classified as Level 2 are classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available. Marketable debt instruments are priced using: nonbinding market consensus prices that are corroborated with observable market data; quoted market prices for similar instruments; or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data. These Level 2 debt securities primarily include corporate bonds, notes and other debt securities.

Beneficial Interest in Perpetual Trusts
The estimated fair values of UVM Health Network's beneficial interests in perpetual trusts are determined based upon information provided by the trustees. Such information is generally based on the pro rata interest in the net assets of the underlying investments. The assets held in trust consist primarily of cash equivalents and marketable securities. The fair values of the perpetual trusts are measured using the fair value of the assets contributed to the trusts, and therefore are categorized as level 3.

Hedge Funds
The fair values of investments in hedge funds were primarily determined using the calculated net asset value ("NAV"). The hedge funds include investments in funds that invest primarily in securities whose underlying values are based on Level 1 inputs. The fund managers receive prices from nationally recognized pricing services based on observable market transactions. Certain of the underlying securities held by the funds are listed on recognized securities exchanges and valued at the closing price as is customarily ascertained by the respective exchange.

Investments at Middlebury College
PMC has investments held with Middlebury College. These investments are considered Level 3 as the fair value is based on PMC's share of the quoted market prices of the underlying assets of the Middlebury pooled funds and beneficial trusts or of similar securities, as provided by the respective custodians.

Interest Rate Swap Agreements
Interest rate swap agreements are valued at the present value of the estimated series of cash flows resulting from the exchange of fixed rate payments for floating rate payments from the counterparty over the remaining life of the contract from the balance sheet date. Each floating rate payment is calculated based on forward market rates at the valuation date for each respective payment date. The valuation based on the estimated series of cash flows is obtained from third parties and assessed by management for reasonableness. Because the inputs used to value the contract can generally be corroborated by market data, the fair value is categorized as Level 2.

Provider Tax Payments
The states of Vermont and New York operate provider tax programs related to certain patient services revenues and operating cash receipts, respectively, collectively referred to as provider tax expenses. UVM Health Network recorded provider tax expenses of approximately $88,944,000 and $82,939,000 for the years ended September 30, 2018 and 2017, respectively. UVM Health Network recorded provider tax liabilities of $0 and $337,000 at September 30, 2018 and 2017, respectively, which are included in current portion of third party payer settlements in the accompanying consolidated balance sheets.

Revision of 2017 Statement of Operations for Prior Period Error
The 2017 consolidated statement of operations has been revised from the previous presentation in the UVM Health Network's 2017 consolidated financial statements to correctly present $80,380,000 of provider tax expenses as an operating expense. This amount excludes provider tax expense of $2,559,000 related to PMC that was reported in operating expenses in 2017. Previously, this item had been presented in error as an offset to net patient service revenue. The UVM Health Network has concluded that this revision did not have a material impact to the prior period financial statements.

3. New Accounting Guidance

On October 1, 2017, UVM Health Network early adopted ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which made targeted changes to the not-for-profit financial reporting model and applied these changes retroactively. The new ASU marks the completion of the first phase of a larger project aimed at improving not-for profit financial reporting. Under the new ASU, net asset reporting has been streamlined and clarified. The existing three category classification of net assets has been replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures have been incorporated to highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements (Note 4). The ASU also imposes several new requirements related to reporting expenses (Note 18). As a result of early adopting this standard, certain prior year amounts were reclassified to conform to the presentation requirements.

A summary of the net asset reclassifications resulting from the adoption of ASU 2016-14 on the previously issued September 30, 2017 consolidated financial statements is as follows:

(in thousands) **Net Assets Classifications**	**Without donor restrictions**	**With donor restrictions**	**Total Net Assets**
As previously presented:			
Unrestricted	$ 1,083,350	$ -	$ 1,083,350
Temporarily restricted	-	50,938	50,938
Permanently restricted	-	38,443	38,443
Net assets as reclassified	$ 1,083,350	$ 89,381	$ 1,172,731

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers*. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. UVM Health Network is evaluating the impact this will have on the consolidated financial statements upon adoption in fiscal year 2019.

In September 2015, the FASB issued ASU No. 2015-16 *Simplifying the Accounting* for *Measurement-Period Adjustments* which is applicable to organizations that have had an acquisition and the accounting for which is not complete at the end of the reporting period and an adjustment was made in the next reporting period. The updated guidance requires an organization to present separately on the face of the statement of operations or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if an adjustment to the provisional amounts had been recognized. The revised guidance is effective for fiscal year 2018. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which, requires a lessee to recognize a right-of-use asset and a lease liability for most leases, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for UVM Health Network. Early adoption is permitted. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2020.

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 705): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* This guidance requires the service cost component of net periodic benefit cost for pension and other postretirement benefits to be presented as a component part of employee benefit expense. The other components of net periodic benefit cost, such as interest, expected return on plan assets, and amortization of other actuarially determined amounts, are required to be presented as a nonoperating change in net assets without restrictions. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for UVM Health Network. Early adoption is permitted. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2020.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new standard applies to all entities that receive or make contributions. The guidance clarifies the definition of transactions accounted for as an exchange transaction subject to ASU 2014-09 or other applicable guidance, and transactions that should be accounted for as contributions (non-exchange) subject to the contribution accounting model. Further, the guidance provides criteria for evaluating whether contributions are unconditional or conditional. Conditional contributions must specify a barrier that the recipient must overcome and a right of return that releases the donor from its obligation if the barrier is not achieved, otherwise the contribution is unconditional. This ASU is

applicable for annual periods beginning after September 30, 2018 and thus fiscal year 2019 for UVM Health Network. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2019.

4. Financial Assets and Liquidity Resources

As of September 30, 2018 and 2017, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

(in thousands)	2018	2017
Liquidity and Availability:		
Cash and cash equivalents	$ 246,681	$ 264,293
Short-term investments	32,932	28,910
Current portion of assets whose use is limited or restricted	54,523	93,349
Patient and other trade accounts receivable, net	237,633	238,902
Financial assets available at year end for current use	$ 571,769	$ 625,454

The UVM Health Network's endowment funds consist of donor-restricted funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

To manage liquidity, UVM Health Network maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, CDs, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the UVM Health Network. Short-term investments without donor restriction are also utilized to generate a higher yield on balances versus cash and cash equivalents, and to provide the UVM Health Network with an additional layer of liquidity for daily operations if needed. As of September 30, 2018 and 2017, the balances held in cash and cash equivalents and short-term investments were $279,613,000, and $293,203,000, respectively. The UVM Health Network also maintains a line of credit in the amount of $20,000,000 for use by UVM Health Network entities that are part of the UVM Medical Center Obligated Group. As of September 30, 2018 and 2017, the amount outstanding under this line of credit was $4,550,000 and $0, respectively. Additionally, CPI has a line of credit of $3,000,000 and AHMC has a line of credit of $1,500,000 and no amounts were outstanding at September 30, 2018 on either of these lines. Each of these lines of credit can be used to support short-term cash and/or working capital needs. In addition, the UVM Health Network has Board-designated assets without donor restriction that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2018 and 2017, the balance in Board-designated assets were $656,229,000 and $614,890,000 respectively.

5. University of Vermont Health Network – Home Health & Hospice, Inc. Affiliation

On January 1, 2018, UVM Health Network entered into an affiliation agreement whereby UVM Health Network became the sole corporate member of HH&H. HH&H is a non-profit corporation organized in Vermont. HH&H's primary purpose is to provide home care services to residents of Chittenden and Grand Isle Counties.

No consideration was given for this transaction that was accounted for using the acquisition method of accounting, which requires all the assets and liabilities of HH&H to be revalued at fair value as of the acquisition date. In connection with the acquisition, UVM Health Network received an inherent contribution of $29,881,000 reflecting the fair value of the contributed net assets of HH&H on the transaction date. There were no intangible assets recorded as a result of this transaction. Of this amount, $19,019,000 represents net assets without donor restriction and is included as a nonoperating gain in the accompanying consolidated statement of operations. $10,862,000 was recorded as contribution income within changes in net assets with donor restriction. The consolidated statements of operations and changes in net assets include HH&H's activities for the 9-month period January 1, 2018 to September 30, 2018, as follows:

(in thousands)	**2018**
Revenue and other support without donor restrictions	
Net patient service revenue	$ 22,281
Less: Provision for bad debts	(140)
Net patient service revenue after provision for bad debts	22,141
Other revenue	151
Total revenue and other support without donor restrictions	22,292
Expenses	
Salaries, payroll taxes, and fringe benefits	18,278
Supplies and other	3,643
Purchased services	1,876
Depreciation and amortization	505
Total expenses	24,302
Loss from operations	(2,010)
Nonoperating gains (losses)	
Investment income	96
Other	1,693
Total nonoperating gains, net	1,789
Deficit of revenue over expenses	(221)
Net change in unrealized gains on investments	(147)
Other adjustments	375
Increase in net assets without donor restrictons	7
Changes in net assets with donor restrictions	
Gifts, grants and bequests	9
Investment income	208
Net change in unrealized (losses) on investemnts	(328)
Net assets released from restrictions used in operations	(226)
Decrease in net assets with donor restrictions	(337)
Decrease in net assets	$ (330)

The table below discloses the assets and liabilities at fair value as of January 1, 2018 for HH&H and the inherent contribution received from this transaction:

(in thousands)		**2018**
Assets		
Current assets		
Cash and cash equivalents	$	2,013
Patient and other trade accounts receivable, net		3,124
Prepaid and other current assets		1,289
Total current assets		6,426
Assets whose use is limited or restricted		20,023
Property and equipment, net		8,148
Total assets	$	34,597
Current liabilities		
Accounts payable	$	340
Accrued expenses and other liabilities		1,528
Accrued payroll and related benefits		2,320
Total current liabilities		4,188
Long-term liabilities		
Other		528
Total long-term liabilities		528
Total liabilities		4,716
Net assets		
Without donor restrictions		19,019
With donor restrictions		
Time or purpose		4,370
Perpetual		6,492
Total net assets		29,881
Total liabilities and net assets	$	34,597

A summary of the consolidated financial results of UVM Health Network for the years ended September 30, 2018 and 2017 as if the transaction had occurred on October 1, 2016 is as follows (unaudited):

(in thousands)	2018	2017
Total operating revenues	$ 2,178,039	$ 2,046,266
Total operating expenses	2,146,540	1,979,708
Gain from operations	31,499	66,558
Nonoperating gains	34,430	114,741
Excess of revenue over expenses	65,929	181,299
Net assets released from restriction used for capital purchases	4,607	1,118
Other adjustments	2,898	(10,332)
Pension related adjustments	19,542	52,816
Transfer of assets	(266)	-
Increase in net assets without donor restictions	$ 92,710	$ 224,901

6. Charity Care and Community Service

UVM Health Network provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than its established rates. Because UVM Health Network does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The amount of charges foregone for services and supplies furnished under UVM Health Network's charity care policy aggregated approximately $28,677,000 and $27,577,000 for the years ended September 30, 2018 and 2017, respectively.

Approximately $13,169,000 and $11,964,000 of UVM Health Network's total expenses for the years ended September 30, 2018 and 2017 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on UVM Health Network's total expenses divided by gross patient service revenue. For the years ended September 30, 2018 and 2017, respectively, UVM Health Network used $568,000 and $533,000 in charitable endowment earnings to help defray the costs of indigent care.

7. Investments, including Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted at September 30, 2018 and 2017 consisted of the following:

(in thousands)	2018	2017
Equities	$ 2,553	$ 1,121
Mutual funds		
Bond funds	370,599	330,379
U.S. treasury obligation funds	-	323
International equity funds	167,387	157,562
Domestic equity funds	216,577	187,576
Real estate funds	37,005	32,791
Total mutual funds	791,568	708,631
Money market funds	11,327	54,946
U.S. Treasuries	6,060	-
Bonds and notes	14,049	15,408
Beneficial interest in perpetual trusts	18,016	17,470
Hedge funds	3,523	3,175
Investments held at Middlebury College	6,245	367
	853,341	801,118
Less: Current portion	(54,523)	(93,349)
Less: Other short term pooled investments	(20,638)	-
	$ 778,180	$ 707,769

The cost and estimated fair value of securities classified as available-for-sale by the organization, which excludes beneficial interest in perpetual trusts of $18,016,000 and $17,470,000 and unrestricted pooled investments of $20,638,000, and includes short-term investments of $32,932,000 and $28,910,000 as of September 30, 2018 and 2017, respectively, and long-term investments within Other assets of $4,781,000 and $10,290,000 as of September 30, 2018 and 2017, respectively, is as follows:

	2018		
(in thousands)	**Cost**	**Gross Unrealized Gains/(Losses)**	**Estimated Fair Value**
Equities	$ 3,038	$ 587	$ 3,625
Mutual funds			
Bond funds	370,679	1,449	372,128
International equity funds	148,737	18,912	167,649
Domestic equity funds	181,203	36,302	217,505
Commodity funds	75	2	77
Real estate funds	34,862	2,143	37,005
Total mutual funds	735,556	58,808	794,364
Money market funds	24,402	(95)	24,307
U.S. Treasuries	6,292	(232)	6,060
Bonds and notes	14,468	(423)	14,045
Hedge funds	2,985	756	3,741
Investments held at Middlebury College	6,245	-	6,245
Real Estate	14	(1)	13
	$ 793,000	$ 59,400	$ 852,400

	2017		
(in thousands)	**Cost**	**Gross Unrealized Gains/(Losses)**	**Estimated Fair Value**
Equities	$ 3,843	$ 906	$ 4,749
Mutual funds			
Bond funds	328,572	9,020	337,592
U.S. treasury obligation funds	323	-	323
International equity funds	138,364	23,981	162,345
Domestic equity funds	174,498	18,974	193,472
Commodity funds	147	(35)	112
Real estate funds	32,300	1,291	33,591
Total mutual funds	674,204	53,231	727,435
Money market funds	65,590	(41)	65,549
Bonds and notes	15,584	(174)	15,410
Hedge funds	2,978	678	3,656
Investments held at Middlebury College	6,049	-	6,049
	$ 768,248	$ 54,600	$ 822,848

The following tables present information as of September 30, 2018 and 2017, about UVM Health Network's financial assets and liabilities that are measured at fair value on a recurring basis:

	2018				
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	NAV as Practical Expedient	Fair Value
Equities	$ 3,625	$ -	$ -	$ -	$ 3,625
Mutual funds					
Bond funds	372,128	-	-	-	372,128
U.S. treasury obligation funds	-	-	-	-	-
International equity funds	167,649	-	-	-	167,649
Domestic equity funds	217,505	-	-	-	217,505
Commodity funds	77	-	-	-	77
Real estate funds	37,005	-	-	-	37,005
Total mutual funds	794,364	-	-	-	794,364
Money market funds	21,526	2,781	-	-	24,307
U.S. Treasuries	6,060	-	-	-	6,060
Bonds and notes	-	14,045	-	-	14,045
Beneficial interest in perpetual trusts	-	-	18,016	-	18,016
Hedge funds	218	-	-	3,523	3,741
Investments held at Middlebury College	-	-	6,245	-	6,245
Real Estate	13	-	-	-	13
	$ 825,806	$ 16,826	$ 24,261	$ 3,523	$ 870,416
Interest rate swap agreements	$ -	$ 13,622	$ -	$ -	$ 13,622

	2017				
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	NAV as Practical Expedient	Fair Value
Equities	$ 4,749	$ -	$ -	$ -	4,749
Mutual Funds					
Bond funds	337,592	-	-	-	337,592
U.S. treasury obligation funds	323	-	-	-	323
International equity funds	162,345	-	-	-	162,345
Domestic equity funds	193,472	-	-	-	193,472
Commodity funds	112	-	-	-	112
Real estate funds	33,591	-	-	-	33,591
Total mutual funds	727,435	-	-	-	727,435
Money market funds	65,549	-	-	-	65,549
Bonds and notes	6,180	9,230	-	-	15,410
Beneficial interest in perpetual trusts	-	-	17,470	-	17,470
Hedge funds	-	-	-	3,656	3,656
Investments held at Middlebury College	-	-	6,049	-	6,049
	$ 803,913	$ 9,230	$ 23,519	$ 3,656	$ 840,318
Interest rate swap agreements	$ -	$ 20,184	$ -	$ -	$ 20,184

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of September 30, 2018 and 2017.

	2018					
Category of Investment	**Fair Value**	**Unfunded Commitments**	**Remaining Life, if Applicable**	**Redemption Terms, If Currently Eligible**	**Redemption Restrictions and Terms**	**Redemption Restrictions and Terms in Place at Year End**
Hedge Funds	$ 3,523	-	Not applicable	Ranges from 60 - 95 days notice, quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None

	2017					
Category of Investment	**Fair Value**	**Unfunded Commitments**	**Remaining Life, if Applicable**	**Redemption Terms, If Currently Eligible**	**Redemption Restrictions and Terms**	**Redemption Restrictions and Terms in Place at Year End**
Hedge Funds	$ 3,656	-	Not applicable	Ranges from 60 - 95 days notice, quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None

As of and for the years ended September 30, 2018 and 2017, the fair value of the assets and change in the value of the assets measured using significant unobservable inputs (Level 3) were related to beneficial interests in perpetual trusts and investments held at Middlebury College ("College"). Distributions from the investments held at the College are to be made by a disbursement from the College to the UVM Health Network, based on the value of the fund after providing the College with thirty (30) days written notice. The investments held at the College shall thereafter be valued as of the end of the calendar month following such notice and distributed as soon as is practicable but in no event later than sixty (60) days after such notice. At least 20% of the value of the investments held at the College will be made available to the UVM Health Network within thirty (30) days of College's receipt of the notice for a distribution up to that amount.

A roll forward of the Level 3 fair value measurements (defined above) for the years ended September 30, 2018 and 2017, is as follows:

	2018		
(in thousands)	**Investments held at Middlebury College**	**Beneficial Interest in Perpetual Trusts**	**Total Level 3 Assets**
Beginning of year	$ 6,049	$ 17,470	$ 23,519
Change in beneficial interest in perpetual trusts	-	546	546
Realized gains	196	-	196
End of the year	$ 6,245	$ 18,016	$ 24,261

(in thousands)	2017 Investments held at Middlebury College	2017 Beneficial Interest in Perpetual Trusts	2017 Total Level 3 Assets
Beginning of year	$ -	$ 13,445	$ 13,445
Investments due to affiliation	6,077	3,431	9,508
Change in beneficial interest in perpetual trusts	-	594	594
Realized gains	(28)	-	(28)
End of the year	$ 6,049	$ 17,470	$ 23,519

8. Property and Equipment

A summary of property and equipment at September 30, 2018 and 2017 is as follows:

(in thousands)	2018	2017
Land	$ 37,347	$ 33,320
Land improvements	24,922	24,297
Leasehold improvements	68,835	66,258
Buildings	887,503	829,444
Equipment, furniture, and fixtures	586,238	543,978
	1,604,845	1,497,297
Less: Accumulated depreciation	(901,522)	(813,696)
	703,323	683,601
Construction–in–progress	164,049	82,126
	$ 867,372	$ 765,727

UVM Health Network sold, traded-in or wrote off approximately $8,006,000 and $10,774,000 in gross property and equipment in the years ended September 30, 2018 and 2017, respectively. In conjunction with these sales, trade-ins or disposals, a gain of $273,000 and a loss of $288,000 were recorded in the years ended September 30, 2018 and 2017, respectively. These gains and losses are included in supplies and other expense. At September 30, 2018, UVM Health Network had commitments to purchase approximately $125,063,000 of property and equipment, which are primarily composed of the following: $25,591,000 related to the Inpatient Bed replacement project (the “Miller Building Project”), $90,573,000 related to the EPIC project and $1,807,000 related to other projects. Anticipated future cash flows related to these commitments are $70,434,000, $28,546,000, and $18,991,000 for the years ending September 30, 2019, 2020 and 2021, respectively.

UVM Health Network recorded depreciation expense of $86,841,000 and $84,229,000 for the years ended September 30, 2018 and 2017, respectively.

9. Long-Term Debt

Long-term debt at September 30, 2018 and 2017 consisted of the following:

(in thousands)	2018	2017
Vermont Educational and Health Buildings Financing Agency		
Hospital Revenue Bonds		
Series 2009A Loan, fixed rate at (5.08%), payable through 2024	$ -	$ 682
Series 2008A Bonds, variable rate (1.50% and 0.84% at September 2018 and 2017, respectively), payable through 2030	54,706	54,706
Series 2013A Bonds, fixed rate (2.60%), payable through 2027	27,713	28,038
Series 1996 Loan, fixed rate (3.50%), payable through 2021	4,029	5,193
Series 2015A Bonds, fixed rate (2.27%), payable through 2023	17,695	19,815
Series 2016A Bonds, fixed rate (3.00% to 5.00%), payable through 2036 (including unamortized premium of $22,994 and $24,204 at September 30, 2018 and 2017, respectively)	192,584	197,189
Series 2016B Bonds, fixed rate (3.13% to 5.00%), payable through 2046 (including unamortized premium of $10,980 and $11,370 at September 30, 2018 and 2017, respectively)	99,980	100,370
Series 2015A Bonds, fixed rate (2.85%), payable through 2025	13,866	14,495
Essex County Capital Resource Corporation		
Hospital Revenue Bonds		
Series 2011 Bonds, variable rate, (2.92% and 2.35% at September 30, 2018 and 2017, respectively), payable through 2032	4,635	4,870
Other long-term debt		
Bank of America Loan, fixed rate (2.92%), payable through 2027	42,920	47,918
KeyBank Loan, fixed rate (3.13%), payable through 2023	29,315	34,320
Series 2016A Bonds variable rate, (2.52% at September 30, 2018), payable through 2042	13,260	13,775
Series 2016B Bonds, variable rate (2.20% at September 30, 2018), payable through 2042	16,210	16,840
Community Bank Loan, fixed rate (3.38%), payable through 2027	13,716	14,253
Series 2013A variable rate bonds, 1.60% average rate for 2018, payable through 2038, (including unamortized discount of $386K at September 30, 2018)	24,810	25,264
Capital leases, fixed rate (0.68% to 24.8%), payable through 2024	7,059	10,221
TD Bank fixed rate loan at 3.59%, interest only payment through April 2020, payable through April 2030	10,000	-
TD Bank fixed rate loan at 3.87% at September 30, 2018, payable through 2033	18,313	-
Lines of Credit	4,550	10,967
Other debt	39,211	31,395
	634,572	630,311
Less: Current portion	(29,168)	(39,368)
Less: Unamortized discount and debt issuance costs	(2,720)	(2,495)
Long–term debt	$ 602,684	$ 588,448

Obligated Group

UVM Medical Center, UVM Health Network, CVMC, CVPH and ECH are the members of the UVM Medical Center Obligated Group ("Obligated Group") at September 30, 2018.

The Master Trust Indenture contains provisions permitting the addition, withdrawal or consolidation of members of the Obligated Group under certain conditions. The Master Trust Indenture constitutes joint and several obligations of the members of the Obligated Group.

As of September 30, 2018 an obligated group does not exist for AHMC, HH&H, or PMC.

Series 2008A Bonds

On May 21, 2008, UVM Medical Center converted the Series 2004B auction rate bonds from 35-day variable-rate bonds to fixed-rate bonds through a mandatory tender of the bonds as provided for under the original bond agreement. The tender was financed through the reissuance of $160,525,000 of Series 2004B bonds as tax-exempt fixed-rate bonds, and a payment of $2,700,000 from UVM Medical Center's debt service reserve funds. The 2004B bonds were refunded in 2016 as part of the Series 2016A bond issuance.

Also on May 21, 2008, UVM Medical Center in connection with the Vermont Educational and Health Buildings Financing Agency ("VEHBFA"), issued $54,706,000 of tax-exempt variable-rate hospital revenue bonds ("Series 2008A"), the proceeds of which were used to refund its Series 2000B bonds in the amount of $50,000,000, pay an early termination payment in the amount of $3,128,000 on a related interest rate swap, and pay issuance costs in the amount of $1,577,000. The Series 2008A bonds are collateralized by an irrevocable letter of credit from a bank in the amount of $55,334,000 (covers principal of $54,706,000 and interest of $629,000), which expires in 2021. The interest rate on the Series 2008A bonds is set weekly. Series 2008A bondholders have the option to put the bonds back to UVM Medical Center. Such bonds would be subject to remarketing efforts by UVM Medical Center's remarketing agent. To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit. Monthly payments of principal on the letter of credit borrowings would commence on the first calendar day of the first month that commences more than one year after the borrowing. Repayment in full of the letter of credit would be required by the earlier of four years from the date of the borrowing under the letter of credit or the stated expiration date, currently, April 30, 2021.

In conjunction with these transactions, the notional amount of the original swap agreement covering the 2004B bonds was reduced from $135,000,000 to $55,190,000 and transferred to the 2008A bonds in exchange for the payment of $3,128,000.

UVM Medical Center and certain subsidiaries are obligated under various other revenue bonds, capital leases, and notes payable. Various trustee-held funds are required under the terms of the loan agreements. Under one of the loan agreements, a reserve fund is required only upon the failure to meet certain financial ratios. As of September 30, 2018 and 2017, no funding has been required under this agreement.

UVM Medical Center has granted a mortgage on substantially all of its property and an interest in its gross receipts, as defined in connection with the issuance of its long-term debt.

The 2008A letter of credit was not drawn upon as of September 30, 2018, and the scheduled maturities of long-term debt assume the Series 2008A bonds are not put back to the UVM Health Network Obligated Group. If the letter of credit was drawn upon, the repayment would begin one year and one day from the date of the letter of credit being drawn upon. The repayment schedule would occur over the remaining three years of the letter of credit term. The repayment of principal would be as follows: $21,176,000 in year two, $21,176,000 in year three and $12,354,000 in the final year.

Series 2011 Bonds
On December 1, 2011, ECH issued Essex County Capital Resource Corporation Revenue Bonds, Series 2011 in the amount of $6,160,000. The Series 2011 bonds were purchased by Key Bank, N.A. under a bond purchase agreement. As part of the agreement, the Series 2011 bonds are subject to mandatory redemption and are subject to optional tender by the bank for purchase by ECH at a price equal to the principal plus accrued and unpaid interest beginning on June 1, 2017. As of September 30, 2018, Key Bank informed ECH that they have no intention of tending the bonds back to ECH. The Series 2011 bonds are collateralized by a mortgage that Key Bank holds with ECH. The Series 2011 bonds carry a variable interest rate of 65% of 1-month LIBOR plus 155 basis points (2.92% at September 30, 2018) due in quarterly installments through March 1, 2032.

Series 2013A Bonds (UVM Medical Center)
The 2000A Bonds were partially refunded in 2011. The remaining $32,550,000 balance of the initial aggregate principal amount of the Series 2000A Bonds with maturities between December 2025 and December 2027 were refunded in March 2013 and replaced with a tax-exempt direct bank private placement with TD Bank (the 2013A bonds), in the aggregate principal amount of $29,500,000 with a final maturity date in December 2027. As part of the agreement, the series 2013A bonds are subject to an optional tender by the bank for purchase by UVM Medical Center in whole or in part, at a redemption price equal to the principal amount tendered plus accrued and unpaid interest beginning March 1, 2023 and on any date thereafter.

The Series 2013A bonds carry a fixed interest rate of 2.60%.

Series 2013A Bonds (AHMC)
In October 2013, AHMC secured $27,375,000 in financing from the Franklin County Civic Development Corporation Tax – Exempt Variable Rate Demand Revenue Bonds, Series 2013A (2013A Revenue Bonds) to provide funding for the Skilled Nursing Home facility.

The Revenue Bonds consist of variable interest rate, term bonds, requiring annual sinking fund payments ranging from $765,000 to $1,645,000 through October 2037, with a $1,715,000 principal amount maturing on October 1, 2038 to be paid at maturity. Interest rates are variable and are reset weekly by the remarketing agent. The interest rate as of September 30, 2018 was 1.60%. Interest payments are due monthly. In addition to interest to bondholders, interest is paid to HSBC Bank at a rate of 2.50% on the outstanding balance. Interest is paid to HSBC Bank quarterly. The bonds are collateralized by a direct pay letter of credit with a bank aggregating the outstanding principal amount plus 35 days interest at an assumed rate of 12% per annum for the term of the bonds. Any outstanding balance put to the letter of credit would be repaid in accordance with the payment schedule of the 2013A Revenue Bonds and must be repaid prior to the letter of credit expiring on October 1, 2019. The Revenue Bonds are administered by the provisions of a Master Trust Indenture (Indenture) between the AHMC and bond trustee.

Series 2015A Bonds (UVM Medical Center)
The remaining $30,480,000 par of the initial aggregate principal amount of the Series 2004A Bonds, with maturities between December 2015 and December 2023, were refunded in January 2015 and replaced with a tax-exempt direct bank private placement with Key Government Finance (the 2015A bonds), in the aggregate principal amount of $23,840,000 with a final maturity date in December 2023. Debt service reserve fund proceeds of $6,640,000 were used to buy down the par amount of the new bonds. The Series 2015A bonds carry a fixed interest rate of 2.27%.

Series 2016A Bonds (UVM Medical Center)
The remaining $192,965,000 par of the initial aggregate principal amount of the Series 2004B and 2007A Bonds, with maturities between December 2016 and December 2036, were advance refunded in February 2016 and replaced with a tax-exempt public bond issue (the 2016A bonds), in the aggregate principal amount of $176,375,000 with a final maturity date in December 2036. The Series 2016A bonds carry fixed interest rates ranging between 3.00% - 5.00%. The premium on the 2016A bonds was $27,500,000. Bond issuance costs of $579,000 at September 30, 2018 will be amortized over the life of the loan. The 2016 refunding resulted in a loss on extinguishment of debt of $22,320,000.

Series 2016B Bonds (UVM Medical Center)
On July 28, 2016, UVM Medical Center, in connection with the VEHBFA, issued $89,000,000 of tax-exempt fixed rate hospital revenue bonds ("Series 2016B"), the proceeds of which are being used to partially fund the Miller Building Project on the UVM Medical Center's main campus, fund a capitalized interest account in the amount of $12,278,224, and pay issuance costs in the amount of $1,205,400. The Series 2016B bonds carry fixed interest rates ranging from 3.13% - 5.00%, with an average coupon of 4.54%, bonds mature on December 31, 2046. The premium on the 2016B bonds was $12,600,000. The Series 2016B Bonds were labeled "Green Bonds" as a result of their usage to finance the Miller Building Project for which UVM Medical Center expects to obtain Silver LEED-certified status. The purpose of the "Green Bonds" label was to allow investors to invest directly in an environmentally beneficial project. However, there is no guarantee that UVM Medical Center will obtain Silver LEED-certified status.

Series 2015A Bonds (PMC)
PMC issued VEHBFA Revenue Bond Refunding Series 2015A on August 1, 2015 with a fixed rate of 2.85%, payable in monthly payments of $69,000 for the hospital and $17,000 for the nursing home. The bonds are collateralized by gross receipts and payable through August 2025. The indenture requires PMC to meet certain covenants annually.

Series 2016A and 2016B Bonds (CVPH)
On October 31, 2016, CVPH, through the Clinton County Capital Resource Corporation, issued $14,255,000 of tax-exempt variable rate hospital revenue refunding bonds ("Series 2016A CVPH") and $17,425,000 of tax-exempt variable rate hospital revenue refunding bonds ("Series 2016B CVPH"). The proceeds, along with the bond escrow funds of $1,890,000 as of October 31, 2016, were used to refund its Series 2007A, Series 2007B and Series 2002A bonds in the amount of $33,170,000 and debt issuance costs of $400,000. The Series 2016A bonds are bank qualified bonds payable in annual installments ranging from $355,000 to $780,000, plus interest at one month LIBOR times 65% plus 115 basis points adjusted monthly through July 1, 2042. The Series 2016B bonds are bank qualified bonds, payable in annual installments ranging from $440,000 and $960,000, plus interest at one-month LIBOR times 70% plus 72.8 basis points adjusted monthly through July 1, 2042.

People's United Loan (UVM Medical Center)
On September 30, 2013, UVM Medical Center entered into a mortgage for property ("Holly Court") in the amount of $9,903,000. The mortgage is payable through September 2028, and bears interest at a variable rate equal to one month LIBOR plus 105 basis points (3.16% at September 30, 2018). Concurrent with the issuance of the Holly Court mortgage, an interest rate swap was entered into whereby UVM Medical Center pays a fixed rate of 2.67% a variable rate of one month LIBOR, (see footnote 10).

Scheduled Maturities of Long-Term Debt
As of September 30, 2018, scheduled maturities of long-term debt, not including a net unamortized premium of $33,198,000 for the next five years and thereafter are as follows:

(in thousands)

Years Ending September 30,		
2019	$	29,168
2020		37,027
2021		28,894
2022		27,979
2023		29,910
Thereafter		448,396
	$	601,374

Loan Covenants
Under the terms of the Master Trust Indenture agreement, the Obligated Group is required to meet certain covenant requirements, as is AHMC and PMC for its respective long-term debt. In addition, the indenture provides for restrictions on, among other things, additional indebtedness and dispositions of property of the Obligated Group.

Lines of Credit
CPI has an uncollateralized line of credit in the amount of $3,000,000 at September 30, 2018. The interest rate is set at a floating rate equal to LIBOR plus 150 basis points (3.67% at September 30, 2018). At September 30, 2018, CPI had no outstanding borrowings under the line of credit. This revolving line of credit is interest only payments with accrued interest and principal due upon maturity. The maturity date for the line of credit is July 31, 2019.

AHMC has an uncollateralized line of credit in the amount of $1,500,000 at September 30, 2018. The interest rate is set at a floating rate equal to prime plus 100 basis points (5.75% at September 30, 2018). At September 30, 2018, AHMC had no borrowings under the line of credit. The revolving line of credit is interest only payments with accrued interest and principal due upon maturity. The maturity date for the line of credit is October 31, 2019.

As of September 30, 2018, UVM Health Network has an available line of credit in the amount of $20,000,000, less the face value of all Letters of Credit that may be issued by the lender for the benefit of the UVM Health Network. The Line of Credit is available to each member of the Obligated Group (UVM Medical Center, UVM Health Network CVMC, CVPH and ECH). The Line of Credit is secured by a joint and several obligation of the UVM Health Network and each member of the Obligated Group. The interest rate is set at a floating rate equal to 1 Month LIBOR plus 40 basis points (2.57% at September 30, 2018) adjusting monthly. At September 30, 2018, the UVM Health Network had borrowings under the line of credit of $4,550,000. The maturity date for the line of credit is May 10, 2020.

Guarantor
As of September 30, 2018, UVM Medical Center is the guarantor of the letter of credit at AHMC for the Series 2013A bonds and the 2018 TD Bank loan at AHMC.

10. Interest Rate Swap Agreements

For certain variable rate debt, interest rate swap agreements are used to manage interest rate risk and hedge the risk of cash flow volatility. The table below details UVM Health Network's swap agreements. None of the swap agreements require collateral posting. Both UVM Health Network and the counterparties in the interest rate swap agreements are exposed to credit risk in the event of nonperformance or early termination of the agreements. In addition, each agreement may be terminated following the occurrence of certain events, at which time UVM Health Network or the counterparty may be required to make a termination payment to the other.

Swap	Bond Series	Notional Amount September 30 2018 *($ in 000's)*	Notional Amount September 30 2017 *($ in 000's)*	Counterparty	Expiration Date	Pay Fixed	Receive Floating
LIBOR Swap (Series B-1)	2008A	$ 27,595	$ 27,595	Citibank, NA	October 28, 2032	3.76 %	66.5% of LIBOR + 32bps
LIBOR Swap (Series B-2)	2008A	27,595	27,595	Citibank, NA	November 4, 2032	3.76 %	66.5% of LIBOR + 32bps
LIBOR Swap	Holly Court Loan	7,255	7,834	Bank	October 2, 2028	2.67 %	1 Month LIBOR
LIBOR Swap	Series 2007B	10,465	10,705	Key Bank	July 1, 2042	4.06 %	68.0% of LIBOR
LIBOR Swap	Series 2007A	16,545	16,905	Key Bank	July 1, 2042	4.00 %	65.0% of LIBOR
SIFMA Swap	Series 2011	4,635	4,870	Key Bank	December 1, 2021	3.24 %	65.0% of LIBOR

The fair value of interest rate swap agreements, all of which are recorded as Other long-term liabilities at September 30, is as of follows:

(in thousands)	2018	2017
2008A Swaps	$ (7,394)	$ (11,077)
Holly Court Loan	80	(277)
2006A Swap	-	-
2007B Swap	(2,366)	(3,279)
2007A Swaps	(3,754)	(5,169)
2011 Swap	(188)	(382)
	$ (13,622)	$ (20,184)

The effect of interest rate swap agreements on the consolidated statements of operations and changes in net assets for 2018 and 2017 are as follows:

(in thousands)	2018	2017
2008A Swaps	$ 3,683	$ 5,001
Holly Court Loan	357	485
2006A Swap	-	36
2007B Swap	913	1,429
2007A Swaps	1,415	2,261
2011 Swap	194	231
	$ 6,562	$ 9,443

UVM Health Network also made payments on the interest rate swap agreements of $2,260,000 and $3,415,000 for the years ended September 30, 2018 and 2017, which are included in interest expense on the statement of operations.

11. Operating Leases

UVM Health Network has entered into certain operating lease agreements for the rental of building space and equipment. Rental expense, inclusive of common area maintenance charges, amounted to $20,069,000 and $18,917,000 for the years ended September 30, 2018 and 2017, respectively.

Minimum future lease payments required under noncancelable operating leases at September 30, 2018, were as follows:

(in thousands)

Years Ending September 30,		
2019	$	20,718
2020		16,521
2021		12,312
2022		8,266
2023		7,264
Thereafter		15,123
	$	80,204

12. Net Assets

Net Assets with Donor Restrictions
At September 30, 2018 and 2017, net assets with donor restrictions are available for the following purposes:

(in thousands)		**2018**		**2017**
Indigent care	$	17,372	$	7,690
Education and research		24,751		22,158
Children's programs		6,342		5,580
Capital projects and other health care services		55,874		51,232
Long-term care services at Woodridge		2,553		2,721
	$	106,892	$	89,381

At September 30, 2018 and 2017, net assets with donor restrictions include approximately $28,436,000 and $23,725,000, respectively, of accumulated gains, which are subject to Board appropriation in accordance with state law.

Endowment Funds
UVM Health Network's endowment funds consist of 139 funds established for a variety of purposes. UVM Health Network does not currently have any unrestricted funds designated by the Board to function as endowment. Accordingly, for the purposes of this disclosure, endowment funds include only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
UVM Health Network has interpreted relevant state laws for the states in which it operates as requiring realized and unrealized gains of net assets with donor restrictions to be retained in a with donor restrictions net asset classification until appropriated by the Board and expended. These state laws allow the Board to appropriate the net appreciation of net assets with donor restrictions as is prudent considering UVM Health Network's long and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions. In the years ended September 30, 2018 and 2017, $1,355,000 and $569,000, respectively, was appropriated.

As a result of this interpretation, UVM Health Network classifies net assets with donor restrictions as the original value of the gifts donated to the with donor restrictions endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of subsequent gifts to the with donor restrictions endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. The remaining portion of the donor-restricted endowment fund is comprised of accumulated gains not required to be maintained in perpetuity. These amounts are classified as with donor restrictions net assets until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. UVM Health Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of UVM Health Network, and the investment policies of UVM Health Network.

Endowment Net Asset Composition and Changes in Endowment Net Assets
The following is a summary of the endowment net asset composition by type of fund at September 30, 2018 and 2017, and the changes therein for the years then ended:

(in thousands)	**2018 With Donor restrictions**
Changes in the fair value of endowment investments:	
Investment returns, net	$ 3,064
Effect of affiliation	10,862
Appropriations of endowment assets for expenditure	(1,355)
Other	1,193
Net change in endowment investments	13,764
Endowment investments at:	
Beginning of year	44,698
End of year	$ 58,462

(in thousands)		**2017 With Donor restrictions**
Changes in the fair value of endowment investments:		
Investment returns, net	$	4,032
Effect of affiliation		118
Appropriations of endowment assets for expenditure		(569)
Other		218
Net change in endowment investments		3,799
Endowment investments at:		
Beginning of year		40,899
End of year	$	44,698

Beneficial Interest in Perpetual Trusts
The above amounts exclude UVM Health Network is beneficial interest in perpetual trusts, which are not within management's investment control. Such beneficial interests totaled $18,016,000 and $17,470,000 at September 30, 2018 and 2017, respectively.

Charitable Remainder Trust
UVM Health Network has received an irrevocable charitable remainder trust, for which UVM Health Network does not serve as trustee. For this trust, UVM Health Network recorded its beneficial interest in those assets as contributions revenue and pledges receivable at the present value of the expected future cash inflows. Trusts are recorded at the date UVM Health Network has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual. Changes in the value of these assets are recorded in net assets with donor restrictions.

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires UVM Health Network to retain as a fund of perpetual duration. The UVM Health Network has a policy that does not allow the spending from underwater endowments. At September 30, 2018 and 2017, there were no funds with deficiencies.

Investment Return Objectives and Spending Policy
UVM Health Network has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index. To satisfy its return objective, UVM Health Network targets a diversified asset allocation that provides for a balanced portfolio.

13. Malpractice and Other Contingencies

Malpractice and Workers' Compensation

UVM Health Network is insured against malpractice losses under a claims-made insurance policy with VMCIC, its wholly owned subsidiary. VMCIC has reinsurance with commercial carriers for coverage above a self-insured per claim retainage amount of $5,000,000, $1,000,000, $2,000,000 and $2,000,000 for UVM Medical Center, CVMC, CVPH and ECH, respectively, for Professional Liability, and per claim retainage amount of $2,000,000, $1,000,000, $1,000,000 and $1,000,000 for UVM Medical Center, CVMC, CVPH and ECH, respectively, for Commercial General Liability with a $20,000,000 aggregate for Professional Liability and $10,000,000 for Commercial General Liability, with limits on such reinsurance. VMCIC provides claims-made coverage to certain affiliates of UVM Medical Center for periods prior to the merger that created UVM Medical Center.

UVM Health Network, excluding AHMC, PMC, and HH&H (discussed below), is also self-insured for workers' compensation claims, and maintains an excess insurance policy to limit its exposure on claims up to $1,000,000 per occurrence in the year ended September 30, 2018, with a $25,000,000 aggregate limit.

The workers compensation insurance policy year for AHMC is from September 1 – September 1 each year. AHMC's potential workers compensation exposure covers the period between September 1 2012, and September 30, 2018. A related liability of approximately $1,136,000 and $1,081,000 has been recorded as of September 30, 2018 and 2017, respectively.

PMC has a guaranteed cost policy for worker's compensation insurance. The policy year is October 1 – October 1 each year. The policy coverage is $500,000 per employee. There is no liability recorded related to this policy.

HH&H insures its medical malpractice risks on a claims-made basis. There were no known malpractice claims outstanding at September 30, 2018, nor were there any unasserted claims or incidents which require loss accrual. HH&H intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

The reserves for outstanding losses at UVM Medical Center, CVMC, CVPH and ECH, have been discounted at a rate of 1.93% at September 30, 2018 and 2017, resulting in a decrease in the reserve for professional liability of approximately $2,414,000 and $2,400,000 at September 30, 2018 and 2017, respectively, and an increase (decrease) in the reserve for workers' compensation of approximately $341,000 and ($310,000) at September 30, 2018 and 2017, respectively.

As a result of changes in estimates of incurred events in prior years, primarily professional liability, the estimate of incurred losses increased (decreased) by approximately ($750,000) and $1,459,000 for the years ended September 30, 2018 and 2017, respectively.

Employee Health and Dental Insurance

UVM Medical Center, CVPH, CVMC, and PMC maintain self-insured plans for employee health insurance. Under the terms of the plans, employees and their dependents are eligible for participation and, as such, UVM Medical Center, CVPH, CVMC, and PMC are responsible for paying claims and third party administrator costs. UVM Medical Center and CVPH maintained a stop-loss insurance policy for its medical plan to limit its exposure on nondomestic claims to the first $650,000 and $400,000, respectively, per member per plan year ending September 30, 2018, of which, $100,000 of each entity's exposure is covered by VMCIC. PMC maintained a stop-loss insurance policy for its medical plan to limit its exposure on all claims to the first $175,000 per

member per plan year. CVMC maintains a stop loss insurance policy for its medical plan to limit its exposure on all claims to the first $400,000 per member, per plan year ending September 30, 2018, of which, $100,000 of each entities exposure is covered by VMCIC. In addition, UVM Medical Center, CVMC and PMC maintain self-insured plans for employee dental.

Other Contingencies
UVM Health Network and its subsidiaries are parties in various legal proceedings and potential claims arising in the ordinary course of business. In addition, the health care industry as a whole is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to government review and interpretation, as well as regulatory actions, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services. Management does not believe that these matters will have a material adverse effect on UVM Health Network's consolidated balance sheet or results of operations.

14. Statutory Capital and Surplus

VMCIC is registered under the Bermuda Insurance Act of 1978 and related regulations (the "Act") and is obligated to comply with various provisions of the Act regarding minimum levels of solvency and liquidity. Statutory capital and surplus at September 30, 2018 and 2017, was $35,926,000 and $31,255,000, respectively. The required minimum statutory capital at September 30, 2018 and 2017 was $3,531,000 and $3,351,000, respectively. In addition, a minimum liquidity ratio must be maintained whereby liquid assets, as defined by the Act, must exceed 75% of defined liabilities. The required minimum level of liquid assets was $26,789,000 and $25,475,000 at September 30, 2018 and 2017, respectively. The measurement of liquid assets at September 30, 2018 and 2017 is $71,645,000 and $65,222,000, respectively. UVM Health Network reports all of VMCIC's investments in marketable securities as restricted assets in the accompanying consolidated balance sheets.

15. Pension Plans

Substantially all employees of UVM Health Network are covered under various noncontributory defined benefit pension plans, various defined contribution pension plans, or combinations thereof. Total expense for these plans consists of the following:

(in thousands)	**2018**	**2017**
Defined benefit plans	$ 2,799	$ 22,295
Defined contribution plans	40,254	39,032
	$ 43,053	$ 61,327

Information regarding UVM Health Network benefit obligations, plan assets, funded status, expected cash flows and net periodic benefit cost for the pension plan follows within this footnote.

Benefit Obligations

(in thousands)	2018	2017
Changes in benefit obligations		
Projected benefit obligations - beginning of year	$ (431,139)	$ (491,771)
Effect of Affiliation	-	(16,699)
Service cost	(6,234)	(6,907)
Interest cost	(16,402)	(17,952)
Benefits paid	24,592	23,992
Settlements	5,039	57,359
Actuarial gain	23,547	17,943
Administrative expenses paid	2,952	2,896
Projected benefit obligation - end of year	(397,645)	(431,139)
Accumulated benefit obligation	(395,074)	(427,629)
Changes in plan assets		
Fair value of plan assets - beginning of year	341,842	369,153
Effect of Affiliation	-	10,582
Actual gain on plan assets	14,631	37,421
Contributions	10,898	8,933
Benefits paid	(24,592)	(23,992)
Settlements	(5,039)	(57,359)
Administrative expenses paid	(2,952)	(2,896)
Fair value of plan assets - end of year	334,788	341,842
Funded status of the plan (long-term)	(62,857)	(89,297)
Funded status of plans - asset	1,376	-
Funded status of plans (liability)	$ (64,233)	$ (89,297)

During 2017, UVM Health Network completed a retiree annuity purchase initiative as part of a de-risking strategy around its various plans. Retiree monthly benefits ranging up to $325, $500, and $1,000 for CVPH, CVMC, and UVM Medical Center, respectively, were bundled into a single offering that settled the obligation for 1,655 participants. This activity, along with some lump-sum acceptances, are reported as settlements in the tables above.

The reconciliation of the unrecognized actuarial losses for the years ended September 30, 2018 and 2017 is as follows:

(in thousands)	2018	2017
Unrecognized actuarial losses - beginning of year	$ 67,302	$ 120,118
Net gain amortized during year	(2,856)	(3,735)
Settlements	-	(18,637)
Net prior service cost amortized during year	21	21
Net loss during year	(16,707)	(30,465)
Unrecognized actuarial losses - end of year	$ 47,760	$ 67,302

The cost components of the net periodic benefit cost for the years ended September 30, 2018 and 2017 are as follows:

(in thousands)	2018	2017
Service cost	$ 6,234	$ 6,907
Interest cost	16,402	17,952
Settlements	-	18,637
Expected return on plan assets	(21,492)	(24,936)
Amortization of unrecognized net loss	1,655	3,735
Net periodic benefit cost	$ 2,799	$ 22,295

The expected net periodic benefit cost to be recognized in fiscal year 2019 is $2,655,000.

The assumptions used in accounting for the defined benefit pension plan are as follows:

	2018	2017
Weighted-average assumptions used to determine the benefit liability		
Discount rates	4.4 %	3.9% - 4.0%
Rates of increase in future compensation levels	3.0% - 3.5%	3.0% - 4.1%
Weighted-average assumptions used to determine expense		
Discount rates	3.9 %	3.6% - 4.1%
Rates of increase in future compensation levels	3.0% - 3.5%	3.0% - 3.5%
Expected long-term rate of return on plan assets	5.2% - 7.3%	5.7% - 7.3%

The expected long-term rate of return for the UVM Health Network Plans' total assets is based on the expected return of each of its asset categories, weighted based on the median of the allocation for each class. Equity securities are expected to return 9% to 11% over the long-term, while cash and fixed income is expected to return between 5% and 6%. Based on historical experience, UVM Health Network expects that the plans' asset managers will provide a modest (0.5% to 1.0% per annum) premium to their respective market benchmark indices.

Plan Assets

UVM Health Network's pension plans weighted-average asset allocations as of September 30, 2018 and 2017, by asset category, are as follows:

	2018	2017
Asset category		
Money market	3 %	4 %
Mutual funds		
Bond funds	37	37
U.S. treasury obligation funds	8	0
International equity funds	21	27
Domestic equity funds	28	27
Real estate funds	3	5
Total mutual funds	97	96
	100 %	100 %

The following table presents information, as of September 30, 2018 and 2017, about UVM Health Network's pension assets that are measured at fair value on a recurring basis:

	2018		
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Fair Value
Money market	$ 3	$ 10,193	$ 10,196
Mutual funds			-
Bond funds	33,683	89,275	122,958
U.S. treasury obligation funds	28,340	-	28,340
International equity funds	71,273	-	71,273
Domestic equity funds	91,243	-	91,243
Real estate funds	10,778	-	10,778
Total mutual funds	235,317	89,275	324,592
	$ 235,320	$ 99,468	$ 334,788

	2017		
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Fair Value
Money market	$ 13,890	$ -	$ 13,890
Mutual funds		-	-
Bond funds	128,043	-	128,043
U.S. treasury obligation funds	-	-	-
International equity funds	92,734	-	92,734
Domestic equity funds	91,452	-	91,452
Real estate funds	15,723	-	15,723
Total mutual funds	327,952	-	327,952
	$ 341,842	$ -	$ 341,842

As of September 30, 2018 and 2017, there were no Level 3 investments.

The investment strategy established for pension plan assets is to meet present and future benefit obligations to all participants and beneficiaries, cover reasonable expenses incurred to provide such benefits, and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk.

Cash Flows - Contributions
UVM Health Network expects to contribute $5,415,000 to its pension plans in the year ending September 30, 2019.

Cash Flows - Estimated Future Benefit Payments
The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

(in thousands)

Years Ending September 30,		
2019	$	21,101
2020		21,854
2021		22,689
2022		23,436
2023		24,158
2024–2028		127,828

Multi-employer Defined Benefit Plan
UVM Health Network participates in multi-employer defined benefit pension plans. UVM Health Network makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (3) if UVM Health Network chooses to stop participating in some of its multi-employer plans, UVM Health Network may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The measurement dates for the following plans are as of June 30 and December 31, as applicable.

As required by collective bargaining agreements, UVM Health Network is obligated to contribute to the 1199 SEIU multi-employer plan on behalf of union employees at a contribution rate required by the Trustees for participation in the fund, in the amounts and on the dates determined by the Trustees.

UVM Health Network has contributed cash and recorded expenses of $6,672,000 and $5,970,000 for the following multi-employer defined benefit plans for the years ended September 30, 2018 and 2017, respectively.

The following table includes additional disclosure information related to the following pension funds:

Pension Fund	EIN/Pension Plan Number	Zone Status Pension Protection Act September 30, 2018	Zone Status Pension Protection Act September 30, 2017	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
1199 SEIU Health Care Employees Pension Fund	13-3604862-001	not available	Green	June 26, 2009	No	April 30, 2020
1199 SEIU Health Care Employees Pension Fund	16-1112391	not available	Green	N/A	No	June 30, 2022

Members of the UVM Health Network were not listed on the Plans' Forms 5500 as providing more than 5 percent of the total contributions.

Postretirement Health Benefits
In addition to providing pension benefits, UVM Medical Center sponsors a defined benefit postretirement health care plan for retired employees. Substantially all of UVM Medical Center's employees who are at least age 55 with 15 years of service and all employees who are eligible for retirement may become eligible for such benefits. The postretirement health care plan is contributory with retiree contributions adjusted annually. The marginal cost method is used for accounting purposes for postretirement healthcare benefits.

As of September 30, 2018 and 2017, the premiums paid by retirees did not exceed the costs and a $4,247,000 and $1,504,000, respectively, accumulated postretirement benefit obligation was recorded. The plan does not have any assets as of September 30, 2018 and 2017. Net assets without donor restrictions at September 30, 2018 include unrecognized actuarial loss of $2,082,000 and an unrecognized actuarial gain at September 30, 2017 of $1,578,000. The expected amortization of the unrecognized losses to be recognized in postretirement benefit obligation expenses in the year ending September 30, 2019 is $212,000. Assumptions used in accounting for the plan include a discount rate of 4.30%, a current health care cost trend rate of 6.75%, an ultimate health care cost trend rate of 4.75%, the year of ultimate trend rate of 2023, and census data as of January 1, 2018. The accumulated postretirement benefit obligation is highly sensitive to the health care cost trend rates; as such, the effect of a 1% increase in the trend rate would increase the accumulated postretirement benefit obligation by $5,967,000 or 141%, effect of a 1% decrease in the trend rate would decrease the accumulated postretirement benefit obligation by $4,247,000 or 100%.

16. Concentrations of Credit Risk

UVM Health Network grants credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payers at September 30, 2018 and 2017 is as follows:

	2018	2017
Medicare	24 %	27 %
Medicaid	9	10
Contracted Commercial	31	29
Noncontracted Insurers	16	16
Patients	20	18
	100 %	100 %

17. Transactions With UVM

UVM Medical Center's Affiliation Agreement with UVM was renewed as of June 19, 2014, for a five year term. The Affiliation Agreement expresses the shared goals of UVM and UVM Medical Center for teaching, clinical care and research, documents the many points of close collaboration between the two organizations, provides the underpinnings for UVM Medical Center's status as an academic medical center, and obligates UVM Medical Center to provide substantial, annual financial support to UVM. The current Affiliation Agreement provides for three components of financial support to UVM: (1) payments by UVM Medical Center, known as the "commitment," to fund two costs: (a) a portion of the salary, benefits and related expenses paid through UVM to physician-faculty who are jointly employed by both UVM and UVM Medical Group and, (b) a portion of the cost of UVM facilities, utilities and other campus operating expenses that are not paid or reimbursed by any form of federal funding; (2) an academic support payment paid by UVM Medical Center and, (3) a Dean's Tax paid by UVM Medical Group. The amounts of the commitment approximated $46,724,000 and $40,507,000 in the years ended September 30, 2018 and 2017, respectively. In addition, UVM Medical Center reimburses UVM for equipment rental, research, and certain other administrative expenses through the commitment. In addition to the commitment, UVM Medical Center made academic support payments to UVM in monthly installments. The amount of the academic support payment was $7,936,000 and $7,857,000 in the years ended September 30, 2018 and 2017, respectively. Under the Affiliation Agreement, the Dean's Tax is paid to UVM by UVM Medical Center in an amount equal to 2.3% of the Medical Group's net patient service revenues exclusive of all Medicaid revenues for that fiscal year. The amount of the Dean's Tax approximated $4,710,000 and $6,268,000 in the years ended September 30, 2018 and 2017, respectively. A guaranteed payment of $1,000,000 in Dean's Taxes on UVM Medical Group net patient revenues of community-based physicians was recorded in the years ended September 30, 2018 and 2017.

Under the current affiliation agreement, the base payments for the academic support payments increased to $8,166,000 in fiscal year 2019, with an inflationary increase in the years thereafter.

18. Functional Expenses

UVM Health Network provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2018 and 2017, are as follows:

	2018		
	Healthcare Service	Administrative Support	Total
Salary, payroll taxes and fringe benefits	$ 1,102,046	$ 203,364	$ 1,305,410
Supplies and other	385,951	137,002	522,953
Purchased services	58,574	57,794	116,368
Provider taxes	88,944	-	88,944
Depreciation and amortization	58,129	27,402	85,531
Interest expense	11,063	7,427	18,490
	$ 1,704,707	$ 432,989	$ 2,137,696

	2017		
	Healthcare Service	Administrative Support	Total
Salary, payroll taxes and fringe benefits	$ 985,298	$ 212,213	$ 1,197,511
Supplies and other	380,049	89,792	469,841
Purchased services	56,399	37,596	93,995
Provider taxes	82,939	-	82,939
Depreciation and amortization	56,742	26,044	82,786
Interest expense	11,493	7,475	18,968
	$ 1,572,920	$ 373,120	$ 1,946,040

Expenses are presented by functional classification in accordance with the overall service mission of the organization. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Plant operations and maintenance represents space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy.

19. Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. UVM Health Network analyzes its past history for patients with self-pay balances, either after third party insurance payment (deductible and copayment balances) or those without insurance. UVM Health Network records an allowance for doubtful accounts in the period of service based on past experience of patients unwilling to pay a portion of their bill for which they are financially responsible.

Accounts receivable, prior to adjustment for doubtful accounts, is summarized as follows at September 30, 2018 and 2017:

(in thousands)	2018	2017
Receivables		
Patients	$ 68,842	$ 62,612
Third-party payers	215,394	224,847
	$ 284,236	$ 287,459

The allowance for doubtful accounts is summarized as follows at September 30, 2018 and 2017:

(in thousands)	2018	2017
Allowance for doubtful accounts		
Patients	$ 30,427	$ 31,190
Third-party payers	16,176	17,367
	$ 46,603	$ 48,557

Bad debt expense for non-patient related accounts receivable is reflected in total operating expenses on the statements of operations. Patient related bad debt is reflected as a reduction in patient service revenues on the statements of operations.

Net patient service revenue before the provision for bad debts and enhanced Medicaid graduate medical education revenues for the years ended September 30, 2018 and 2017, is summarized as follows:

(in thousands)	2018	2017
Net patient service revenue		
Patients	$ 47,371	$ 39,004
Third-party payers	1,813,826	1,819,284
	$ 1,861,197	$ 1,858,288

20. Subsequent Events

The UVM Health Network has assessed the impact of subsequent events through January 23, 2019, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Supplemental Consolidating Information

1. Basis of Presentation

The following supplemental consolidating information includes the consolidating balance sheets and the consolidating statement of operations of the individual consolidated subsidiaries of UVM Health Network Inc. as of and for the fiscal year ended September 30, 2018. All intercompany accounts and transactions between subsidiaries have been eliminated. The consolidating information presented has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

The following supplemental information also includes the consolidating balance sheet and statement of operations of the University of Vermont Medical Centers Obligated Group as of and for the fiscal year ended September 30, 2018. The University of Vermont Health Network Obligated Group consists of UVM Health Network, UVM Medical Center, CVMC, CVPH, and ECH. All intercompany accounts and transactions between these subsidiaries have been eliminated. The consolidating information presented has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information of the University of Vermont Health Network Obligated Group is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2018

(in thousands)	Total UVM Medical Center Obligated Group (1)	Alice Hyde Medical Center	PH	HPNH	PMC/ PREH	PMC Eliminations	Total PMC	UVM Health Network Home Health & Hospice	Other Entities	Total Eliminations	Total UVM Health Network
Assets											
Current assets											
Cash and cash equivalents	$ 211,628	$ 7,246	$ 21,047	$ 530	$ 2,491	$ -	$ 24,068	$ 2,332	$ 1,407	$ -	$ 246,681
Short-term investments	27,115	-	-	-	-	-	-	-	5,817	-	32,932
Current portion of assets whose use is limited or restricted	-	-	123	139	8	-	270	-	54,253	-	54,523
Patient and other trade accounts receivable, net	212,441	8,227	12,772	1,072	-	-	13,844	2,997	124	-	237,633
Due from related parties	22,431	-	1,035	22	501	(1,558)	-	-	1,589	(24,020)	-
Inventories	40,738	769	1,759	18	-	-	1,777	-	112	-	43,396
Receivables from third-party payers	5,263	3,730	-	-	-	-	-	-	-	-	8,993
Prepaid and other current assets	36,490	490	1,687	19	80	-	1,786	784	4,529	-	44,079
Total current assets	556,106	20,462	38,423	1,800	3,080	(1,558)	41,745	6,113	67,831	(24,020)	668,237
Assets whose use is limited or restricted											
Board-designated assets	638,125	3,018	5,866	-	170	-	6,036	9,050	-	-	656,229
Assets held by trustee under bond indenture agreements	197	-	3,684	-	-	-	3,684	-	-	-	3,881
Restricted assets	9,234	277	1,205	-	208	-	1,413	-	16,499	-	27,423
Donor-restricted assets for specific purposes	45,346	-	339	62	-	-	401	-	-	-	45,747
Donor-restricted assets for permanent endowment	33,980	-	118	-	-	-	118	10,802	-	-	44,900
Total assets whose use is limited or restricted	726,882	3,295	11,212	62	378	-	11,652	19,852	16,499	-	778,180
Property and equipment, net	789,061	46,295	18,977	2,082	603	(58)	21,604	8,168	2,244	-	867,372
Other	84,761	1,042	-	-	1,939	(1,939)	-	117	11,034	(43,734)	53,220
Total assets	$ 2,156,810	$ 71,094	$ 68,612	$ 3,944	$ 6,000	$ (3,555)	$ 75,001	$ 34,250	$ 97,608	$ (67,754)	$ 2,367,009
Liabilities and Net Assets											
Current liabilities											
Current installments of long-term debt	$ 27,340	$ 914	$ 692	$ 130	$ -	$ -	$ 822	$ -	$ 92	$ -	$ 29,168
Accounts payable	56,528	2,704	1,404	31	(1)	-	1,434	436	428	-	61,530
Accrued expenses and other liabilities	52,624	1,793	1,606	486	185	-	2,277	868	20	89	57,671
Accrued payroll and related benefits	106,584	6,084	6,680	986	742	-	8,408	2,575	2	(437)	123,216
Current portion of third-party payer settlements	13,964	-	1,721	125	-	-	1,846	-	-	-	15,810
Due to related parties	12,333	3,036	830	760	372	(1,558)	404	311	7,872	(23,956)	-
Incurred but not reported claims	8,361	-	425	105	45	-	575	-	4,919	-	13,855
Total current liabilities	277,734	14,531	13,358	2,623	1,343	(1,558)	15,766	4,190	13,333	(24,304)	301,250
Long-term debt, net of current installments	555,739	33,696	10,647	2,602	-	-	13,249	-	-	-	602,684
Malpractice and workers' compensation claims, net of current portion	7,363	-	700	-	-	-	700	-	31,247	-	39,310
Pension and other postretirement benefit obligations	59,957	-	3,580	612	84	-	4,276	-	-	-	64,233
Third-party payer settlements, net of current portion	20,571	-	1,053	-	-	-	1,053	-	-	-	21,624
Other	33,103	1,588	-	766	-	(742)	24	505	161	-	35,381
Total long-term liabilities	676,733	35,284	15,980	3,980	84	(742)	19,302	505	31,408	-	763,232
Total liabilities	954,467	49,815	29,338	6,603	1,427	(2,300)	35,068	4,695	44,741	(24,304)	1,064,482
Net assets											
Without donor restrictions	1,112,656	20,448	35,159	(2,799)	4,573	(1,255)	35,678	19,026	51,277	(43,450)	1,195,635
With donor restrictions											
Time or purpose	54,355	647	314	140	-	-	454	4,026	1,268	-	60,750
Perpetual	35,332	184	3,801	-	-	-	3,801	6,503	322	-	46,142
Total net assets	1,202,343	21,279	39,274	(2,659)	4,573	(1,255)	39,933	29,555	52,867	(43,450)	1,302,527
Total liabilities and net assets	$ 2,156,810	$ 71,094	$ 68,612	$ 3,944	$ 6,000	$ (3,555)	$ 75,001	$ 34,250	$ 97,608	$ (67,754)	$ 2,367,009

(1) The consolidating balance sheet for the UVM Medical Center Obligated Group is presented on page 50.

The accompanying note is an integral part of this supplemental consolidating information.

The University of Vermont Medical Center Obligated Group
Consolidating Balance Sheet
September 30, 2018

(in thousands)	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	CVMC Eliminations	Total CVMC	UVM Medical Center	Champlain Valley Physicians Hospital	Elizabethtown Community Hospital	UVM Health Network	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
Assets										
Current assets										
Cash and cash equivalents	$ 8,690	$ 196	$ -	$ 8,886	$ 144,114	$ 4,929	$ 11,906	$ 41,793	$ -	$ 211,628
Short-term investments	-	-	-	-	15,444	11,671	-	-	-	27,115
Current portion of assets whose use is limited or restricted	-	-	-	-	-	-	-	-	-	-
Patient and other trade accounts receivable, net	19,404	1,169	-	20,573	143,106	42,889	5,873	-	-	212,441
Due from related parties	5,957	-	(5,957)	-	35,562	-	-	8,787	(21,918)	22,431
Inventories	4,199	-	-	4,199	29,747	6,245	547	-	-	40,738
Receivables from third-party payers	282	-	-	282	4,981	-	-	-	-	5,263
Prepaid and other current assets	4,529	-	-	4,529	22,605	6,691	2,665	-	-	36,490
Total current assets	43,061	1,365	(5,957)	38,469	395,559	72,425	20,991	50,580	(21,918)	556,106
Assets whose use is limited or restricted										
Board-designated assets	50,341	2,817	-	53,158	556,642	25,416	2,909	-	-	638,125
Assets held by trustee under bond indenture agreements	-	-	-	-	183	14	-	-	-	197
Restricted assets	-	-	-	-	848	8,386	-	719,883	(719,883)	9,234
Donor-restricted assets for specific purposes	6,061	-	-	6,061	37,988	-	1,297	-	-	45,346
Donor-restricted assets for permanent endowment	3,274	-	-	3,274	30,370	-	336	-	-	33,980
Total assets whose use is limited or restricted	59,676	2,817	-	62,493	626,031	33,816	4,542	719,883	(719,883)	726,882
Property and equipment, net	63,999	4,584	-	68,583	583,952	102,822	33,704	-	-	789,061
Other	3,271	-	-	3,271	70,185	7,081	99	4,125	-	84,761
Total assets	$ 170,007	$ 8,766	$ (5,957)	$ 172,816	$ 1,675,727	$ 216,144	$ 59,336	$ 774,588	$ (741,801)	$ 2,156,810
Liabilities and Net Assets										
Current liabilities										
Current installments of long-term debt	$ 3,311	$ -	$ -	$ 3,311	$ 18,476	$ 4,790	$ 763	$ -	$ -	$ 27,340
Accounts payable	2,616	-	-	2,616	45,468	6,193	2,251	-	-	56,528
Accrued expenses and other liabilities	5,624	45	-	5,669	43,860	3,066	601	-	(572)	52,624
Accrued payroll and related benefits	11,376	928	-	12,304	78,226	13,915	2,139	-	-	106,584
Current portion of third-party payer settlements	5,497	-	-	5,497	2,122	4,454	1,891	-	-	13,964
Due to related parties	13,728	6,457	(5,957)	14,228	669	18,925	210	-	(21,699)	12,333
Incurred but not reported claims	-	-	-	-	7,211	1,150	-	-	-	8,361
Total current liabilities	42,152	7,430	(5,957)	43,625	196,032	52,493	7,855	-	(22,271)	277,734
Long-term debt, net of current installments	11,594	1,261	-	12,855	472,646	50,073	15,615	4,550	-	555,739
Malpractice and workers' compensation claims, net of current portion	1,463	416	-	1,879	-	5,412	72	-	-	7,363
Pension and other postretirement benefit obligations	19,662	-	-	19,662	4,247	36,048	-	-	-	59,957
Third-party payer settlements, net of current portion	-	-	-	-	15,975	-	4,596	-	-	20,571
Other	2,746	-	-	2,746	16,831	12,716	810	-	-	33,103
Total long-term liabilities	35,465	1,677	-	37,142	509,699	104,249	21,093	4,550	-	676,733
Total liabilities	77,617	9,107	(5,957)	80,767	705,731	156,742	28,948	4,550	(22,271)	954,467
Net assets										
Without donor restriction	82,908	(348)	-	82,560	894,693	56,139	28,756	770,038	(719,530)	1,112,656
With donor restriction										
Time or purpose	6,208	7	-	6,215	44,933	1,919	1,288	-	-	54,355
Perpetual	3,274	-	-	3,274	30,370	1,344	344	-	-	35,332
Total net assets	92,390	(341)	-	92,049	969,996	59,402	30,388	770,038	(719,530)	1,202,343
Total liabilities and net assets	$ 170,007	$ 8,766	$ (5,957)	$ 172,816	$ 1,675,727	$ 216,144	$ 59,336	$ 774,588	$ (741,801)	$ 2,156,810

The accompanying note is an integral part of this supplemental consolidating information.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2018

(in thousands)	Total UVM Medical Center Obligated Group (1)	Alice Hyde Medical Center	PH	HPNH	PMC/ PREH	PMC Eliminations	Total Porter	UVM Health Network Home Health & Hospice	Other Entities	Total Eliminations	Total UVM Health Network
Revenue and other support without donor restrictions											
Net patient service revenue	$ 1,670,868	$ 84,444	$ 73,655	$ 9,740	$ -	$ (80)	$ 83,315	$ 22,281	$ 881	$ (592)	$ 1,861,197
Less: Provision for bad debts	(43,450)	(2,375)	(4,231)	(47)			(4,278)	(140)	(50)	-	(50,293)
Net patient service revenue after provision for bad debts	1,627,418	82,069	69,424	9,693	-	(80)	79,037	22,141	831	(592)	1,810,904
Enhanced Medicaid Graduate Medical Education revenues – Hospital	10,389	-	-	-	-	-	-	-	-	-	10,389
Enhanced Medicaid Graduate Medical Education revenues – Professional	19,611	-	-	-	-	-	-	-	-	-	19,611
Net patient service revenue after provision for bad debts and enhanced Graduate Medical Education revenues	1,657,418	82,069	69,424	9,693	-	(80)	79,037	22,141	831	(592)	1,840,904
Fixed prospective payment revenue	148,636	-	10,480	-	-	-	10,480	-	56	-	159,172
Premium revenue	6,377	-	110	-	-	-	110	-	-	-	6,487
Outpatient and specialty pharmacy revenue	94,328	6,419	3,102	-	-	-	3,102	-	-	-	103,849
Net assets released from restrictions	3,340	-	2	-	-	-	2	-	-	-	3,342
Other revenue	39,898	3,861	2,709	(67)	4,618	(4,384)	2,876	151	20,451	(11,088)	56,149
Total revenue and other support without donor restrictions	1,949,997	92,349	85,827	9,626	4,618	(4,464)	95,607	22,292	21,338	(11,680)	2,169,903
Expenses											
Salary, payroll taxes and fringe benefits	1,160,930	57,353	50,043	8,295	3,576	(62)	61,852	18,278	6,933	64	1,305,410
Supplies and other	484,379	21,204	12,338	1,407	342	(85)	14,002	3,643	10,908	(11,183)	522,953
Purchased services	97,030	8,389	10,945	1,161	368	(4,318)	8,156	1,876	1,478	(561)	116,368
Provider taxes	82,769	955	4,703	517	-	-	5,220	-	-	-	88,944
Depreciation and amortization	76,736	4,538	2,859	212	26	-	3,097	505	655	-	85,531
Interest expense	17,121	820	345	81	5	-	431	-	118	-	18,490
Total expenses	1,918,965	93,259	81,233	11,673	4,317	(4,465)	92,758	24,302	20,092	(11,680)	2,137,696
Income (loss) from operations	31,032	(910)	4,594	(2,047)	301	1	2,849	(2,010)	1,246	-	32,207
Nonoperating gains (losses)											
Investment income	24,995	198	459	4	9	-	472	96	674	-	26,435
Change in interest in investment pool	(23)	20	-	-	-	-	-	-	3	-	-
Change in fair value of interest rate swap agreements	6,562	-	-	-	-	-	-	-	-	-	6,562
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-
Contribution revenue from acquisitions	1,249	-	-	-	-	-	-	19,019	-	-	20,268
Other	(842)	451	209	-	147	(36)	320	1,693	(206)	(1,759)	(343)
Total nonoperating gains (losses)	31,941	669	668	4	156	(36)	792	20,808	471	(1,759)	52,922
Excess (deficit) of revenue over expenses	62,973	(241)	5,262	(2,043)	457	(35)	3,641	18,798	1,717	(1,759)	85,129
Net change in unrealized gains (losses) on investments	3,103	(114)	-	-	-	-	-	(147)	160	(104)	2,898
Net assets released from restrictions for capital purchases	4,181	-	66	360	-	-	426	-	-	-	4,607
Pension related adjustments	18,084	-	1,166	199	93	-	1,458	-	-	-	19,542
Transfers and other adjustments	(1,167)	(358)	(1,700)	2,250	-	-	550	375	1,503	(794)	109
Increase (decrease) in net assets without donor restrictions	$ 87,174	$ (713)	$ 4,794	$ 766	$ 550	$ (35)	$ 6,075	$ 19,026	$ 3,380	$ (2,657)	$ 112,285

(1) The consolidating statement of operations for the UVM Medical Center Obligated Group is presented on page 52.

The accompanying note is an integral part of this supplemental consolidating information.

The University of Vermont Medical Center Obligated Group
Consolidating Statement of Operations
Year Ended September 30, 2018

(in thousands)	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC	UVM Medical Center	Champlain Valley Physicians Hospital	Elizabethtown Community Hospital	UVM Health Network	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
Revenue and other support without donor restrictions									
Net patient service revenue	$ 155,370	$ 13,578	$ 168,948	$ 1,134,859	$ 331,949	$ 34,419	$ -	$ 693	$ 1,670,868
Less: Provision for bad debts	(3,053)	-	(3,053)	(29,309)	(9,529)	(1,559)	-	-	(43,450)
Net patient service revenue after provision for bad debts	152,317	13,578	165,895	1,105,550	322,420	32,860	-	693	1,627,418
Enhanced Medicaid Graduate Medical Education revenues – Hospital	-	-	-	10,389	-	-	-	-	10,389
Enhanced Medicaid Graduate Medical Education revenues – Professional	-	-	-	19,611	-	-	-	-	19,611
Net patient service revenue after provision for bad debts and enhanced Graduate Medical Education revenues	152,317	13,578	165,895	1,135,550	322,420	32,860	-	693	1,657,418
Fixed prospective payment revenue	27,552	1,139	28,691	118,487	1,458	-	-	-	148,636
Premium revenue	1,535	-	1,535	4,842	-	-	-	-	6,377
Outpatient and specialty pharmacy revenue	6,416	-	6,416	74,117	11,934	1,861	-	-	94,328
Net assets released from restrictions	552	18	570	2,067	629	74	-		3,340
Other revenue	4,525	533	5,058	28,455	8,066	2,454	-	(4,135)	39,898
Total revenue and other support without donor restrictions	192,897	15,268	208,165	1,363,518	344,507	37,249	-	(3,442)	1,949,997
Expenses									
Salary, payroll taxes and fringe benefits	124,510	13,194	137,704	757,238	242,759	21,477	-	1,752	1,160,930
Supplies and other	43,628	2,510	46,138	358,227	74,683	9,991	-	(4,660)	484,379
Purchased services	10,064	298	10,362	69,475	17,942	-	175	(924)	97,030
Provider taxes	10,758	753	11,511	69,820	1,327	111	-	-	82,769
Depreciation and amortization	8,964	865	9,829	48,959	15,208	2,740	-	-	76,736
Interest expense	421	69	490	13,668	2,500	463	-	-	17,121
Total expenses	198,345	17,689	216,034	1,317,387	354,419	34,782	175	(3,832)	1,918,965
Income (loss) from operations	(5,448)	(2,421)	(7,869)	46,131	(9,912)	2,467	(175)	390	31,032
Nonoperating gains (losses)									
Investment income	8,167	839	9,006	13,585	1,707	(9)	(5,450)	6,156	24,995
Change in interest in investment pool	385	28	413	6,098	126	10	-	(6,670)	(23)
Change in fair value of interest rate swap agreements	-	-	-	4,040	2,328	194	-	-	6,562
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-
Contribution revenue from acquisitions	-	-	-	-	-	1,249	-	-	1,249
Other	870	3	873	(937)	(396)	8	-	(390)	(842)
Total nonoperating gains (losses)	9,422	870	10,292	22,786	3,765	1,452	(5,450)	(904)	31,941
Excess (deficit) of revenue over expenses	3,974	(1,551)	2,423	68,917	(6,147)	3,919	(5,625)	(514)	62,973
Net change in unrealized gains (losses) on investments	(7,032)	(520)	(7,552)	3,684	213	88	7,315	(645)	3,103
Net assets released from restrictions for capital purchases	-	-	-	186	1,572	2,423	-	-	4,181
Pension related adjustments	7,018	-	7,018	129	10,937	-	-	-	18,084
Transfers and other adjustments	-	-	-	(1,631)	825	14	718,349	(718,724)	(1,167)
Increase (decrease) in net assets without donor restrictions	$ 3,960	$ (2,071)	$ 1,889	$ 71,285	$ 7,400	$ 6,444	$ 720,039	$ (719,883)	$ 87,174

The accompanying note is an integral part of this supplemental consolidating information.