



Public Disclosure for Tax-Exempt Organizations

Tax-exempt organizations are required to make a copy of their application for exemption and Form(s) 990 (and 990-T, if applicable) available for public inspection and to provide copies of such forms to individuals or organizations that request copies. Alternatively, the Internet may be used to make these documents available. (See the “Using the Internet” section which follows.) These rules apply to an organization’s Form(s) 990 (and 990-T, if applicable) for the last three years and to its application for exemption.¹ If the application was filed prior to July 15, 1987, disclosure is not required unless the organization had a copy of the application on July 15, 1987. An organization **may omit names and addresses of contributors from its return(s)**. Failure to comply with disclosure requirements can result in an enforcement action by the IRS.

While disclosure rules create an additional burden, they also provide an opportunity for your organization to showcase the community benefits that it provides. The rules also heighten the need to carefully review all responses, including narrative explanations, contained on your Form(s) 990/990-T before filing.

Where Must Information Be Provided?

Generally, an organization must make its documents available for public inspection at any location where it has three or more employees. If the only services provided at the site are in furtherance of exempt purposes and the site does not serve as an office for management staff, the documents are not required to be made available there.

How Quickly Must Organizations Reply?

Requests for copies can be made in person or in writing. When requests are made in person, the copies must generally be provided on the same business day. There are provisions for delays due to unusual circumstances. However, in no event may the period of delay exceed five business days. Unusual circumstances include times when those staff that are capable of fulfilling a request are absent.

Written Requests

Requested copies generally must be mailed within 30 days from the date of the receipt of the written request. However, if the organization requires advance payment of a reasonable fee for copying and postage, it may provide the copies within 30 days from the date it receives payment rather than the date of the original request.

What Can an Organization Charge?

You are currently allowed to charge a maximum fee of \$.20 cents per page in addition to actual postage costs.

¹ Certain information within an application for exemption can be withheld from public inspection if public availability would adversely affect the organization, *e.g.*, information relating to a trade secret, patent, process, style of work or apparatus of the organization.

If any organization receives a written request for copies with no payment enclosed and the organization requires payment in advance, the organization must request payment within seven days from the date it received the request. An organization is required to accept a personal check for written requests if it does not accept payment by credit card. If an organization does not require prepayment and the requester does not enclose a prepayment with the request, the organization must receive consent from a requester before providing copies for which the fee charge for copying and postage would be in excess of \$20.

Local or Subordinate Organizations

A local or subordinate organization that is covered by a group exemption letter is given additional time for responding to some requests. If this type of organization receives a request made in person for inspection of its application for tax exemption, the local organization is required to acquire and make available the application for a group exemption letter filed by the central or parent organization within not more than two weeks. The same general rule would apply with respect to a local or subordinate organization that does not file its own Form(s) 990/990-T but is covered under a group return. Again, the local or subordinate organization must make the group return available for inspection within a reasonable period which is defined as not more than two weeks. If the group return includes separate schedules with respect to each local or subordinate organization, the local or subordinate organization may exclude or omit any schedules relating only to other organizations which are included in the group return.

If a request is made for a personal inspection to a local or subordinate organization, it has the option of mailing the return to the requester rather than allowing an inspection. However, if this is done, the local or subordinate organization may not charge for the copying of the document unless the requester consents to the charge. If a local or subordinate organization receives a request for copies, then it must comply with the rules stated previously.

Using the Internet

As an alternative to providing copies, an organization may provide access to its exemption application and Form(s) 990 (and 990-T, if applicable) through the Internet. The website must provide instructions for downloading the document(s). The information on the Internet must be in such a format that it may be accessed, downloaded, viewed or printed in the same format as the actual documents. An organization would need to make the web address available to the general public.

There is nothing that prevents others from posting your Forms 990, 990-T and exemption application on the Internet. Based on this fact and the potential strain on your organization's resources from providing copies, organizations should consider posting these documents on the Internet.

What if the Requests Are a Form of Harassment?

If an organization believes it is subject to a harassment campaign, it can file an application for a harassment determination with the Internal Revenue Service. This would allow the organization to suspend compliance with these requests. In addition, an organization may disregard requests for copies in excess of two per month or four per year made by a single individual or sent from a single address, without submitting an application for a harassment determination.

Please contact your BKD advisor if you have questions about these rules.

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

- ▶ Do not enter Social Security numbers on this form as it may be made public.
- ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2017

Open to Public Inspection

A For the 2017 calendar year, or tax year beginning 10/01, 2017, **and ending** 09/30, 2018

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization GIFFORD MEDICAL CENTER, INC.			D Employer identification number 03-0179418		
	Doing Business As			E Telephone number (802) 728-7000		
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 44 SOUTH MAIN STREET					
	City or town, state or province, country, and ZIP or foreign postal code RANDOLPH, VT 05060			G Gross receipts \$ 65,263,067.		
F Name and address of principal officer: DANIEL A. BENNETT 44 SOUTH MAIN STREET RANDOLPH, VT 05060			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
			H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No			
			If "No," attach a list. (see instructions)			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			J Website: WWW.GIFFORMED.ORG			H(c) Group exemption number ▶
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1905			M State of legal domicile: VT

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: GIFFORD MEDICAL CENTER IS A NON-PROFIT ACUTE CARE HOSPITAL PROVIDING HEALTHCARE ON AN INPATIENT AND OUTPATIENT BASIS.	
	2 Check this box <input type="checkbox"/> 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 17.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 15.
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5 738.
	6 Total number of volunteers (estimate if necessary)	6 87.
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 54,279.
b Net unrelated business taxable income from Form 990-T, line 34	7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year: 626,629. Current Year: 574,672.
	9 Program service revenue (Part VIII, line 2g)	Prior Year: 58,621,384. Current Year: 52,205,859.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	Prior Year: 1,007,312. Current Year: 2,269,857.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	Prior Year: 406,761. Current Year: 484,995.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	Prior Year: 60,662,086. Current Year: 55,535,383.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)
14 Benefits paid to or for members (Part IX, column (A), line 4)		Prior Year: 0. Current Year: 0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		Prior Year: 31,636,359. Current Year: 31,501,880.
16a Professional fundraising fees (Part IX, column (A), line 11e)		Prior Year: 0. Current Year: 0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 104,691.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		Prior Year: 25,155,604. Current Year: 23,791,018.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	Prior Year: 56,849,784. Current Year: 55,373,124.	
19 Revenue less expenses. Subtract line 18 from line 12	Prior Year: 3,812,302. Current Year: 162,259.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year: 97,671,733. End of Year: 94,970,572.
	21 Total liabilities (Part X, line 26)	Beginning of Current Year: 35,824,144. End of Year: 34,829,494.
	22 Net assets or fund balances. Subtract line 21 from line 20.	Beginning of Current Year: 61,847,589. End of Year: 60,141,078.

COPY FOR PUBLIC INSPECTION

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		
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRIAN D TODD				P00422601
	Firm's name ▶ BKD, LLP	Firm's EIN ▶ 44-0160260		Phone no. 417 865-8701	
Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523					

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2017)

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

AS A COMMUNITY HOSPITAL, GIFFORD MEDICAL CENTER'S MISSION IS TO IMPROVE AND MANAGE THE HEALTH OF THE PEOPLE WE SERVE BY PROVIDING AND ASSURING ACCESS TO AFFORDABLE, HIGH-QUALITY HEALTH CARE, AND BY PROMOTING THE HEALTH AND WELL-BEING OF EVERYONE IN OUR SERVICE AREA.

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

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 \$ 10,218,354. including grants of \$) (Revenue \$ 5,987,611.)

25 BED CRITICAL ACCESS HOSPITAL, HOSPITALISTS AND SKILLED NURSES PROVIDE 24 HOUR CARE TO HOSPITALIZED PATIENTS. CARE IS PROVIDED IN THREE NEIGHBORING UNITS: HOWELL PAVILION (A MEDICAL/SURGICAL UNIT), A TRANSITIONAL CARE UNIT (FOR PATIENTS NEEDING REHABILITATION OR SOMETIMES TRANSITIONING TO A NURSING HOME), AND OUR BIRTHING CENTER (WITH CERTIFIED MIDWIVES FOR LOW INTERVENTION BIRTHS, AND THE 24/7 BACK-UP SUPPORT OF FOUR OB/GYN PHYSICIANS). END-OF-LIFE CARE IS PROVIDED IN A SPECIAL GARDEN ROOM SUITE DESIGNED TO SUPPORT PATIENTS (AND THEIR FAMILIES) IN ADVANCED ILLNESS OR AT THE END OF LIFE. SERVICES FOR THESE PATIENTS ARE SUPPORTED BY THE HOSPITAL'S ANNUAL LAST MILE RIDE.

4b (Code:) (Expenses \$ 8,512,312. including grants of \$) (Revenue \$ 3,984,170.)

GIFFORD MEDICAL CENTER OFFERS A RANGE OF CLINICAL SERVICES AT ITS MAIN CAMPUS AND OUTLYING CLINICS. SPECIALTY SERVICES INCLUDE: ANESTHESIOLOGY, CARDIOLOGY, CHIROPRACTIC CARE, HOSPITALIST, NEUROLOGY, ONCOLOGY, ORTHOPEDICS, PATHOLOGY, PODIATRY, SPORTS MEDICINE, RADIOLOGY, REHABILITATIVE SERVICES, GENERAL SURGERY AND UROLOGY.

4c (Code:) (Expenses \$ 5,362,919. including grants of \$) (Revenue \$ 7,649,694.)

GIFFORD MEDICAL CENTER'S CARING AND KNOWLEDGEABLE SURGERY TEAM OFFERS GENERAL SURGERY SERVICES INCLUDING SKIN LESION AND CYST REMOVAL, COMPREHENSIVE BREAST CARE, DIAGNOSIS AND TREATMENT OF ALL FORMS OF CANCER, WOUND CARE, PILL ENDOSCOPY, COLONOSCOPIES AND APPENDIX REMOVAL. GENERAL SURGEONS PROVIDE A WIDE RANGE OF PROCEDURES (PRIMARILY FOCUSING ON THE ABDOMINAL ORGANS AS WELL AS DISEASES OF THE SKIN, BREAST, SOFT TISSUE AND HERNIAS) IN BOTH OFFICE AND OPERATING ROOM SETTINGS.

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

(Expenses \$ 27,919,762. including grants of \$ 80,226.) (Revenue \$ 34,584,384.)

4e Total program service expenses 52,013,347.

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.	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	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.		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.	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.		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.		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.		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		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.		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.	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.	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.		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.		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.	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	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.		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII.		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.	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		X
14a Did the organization maintain an office, employees, or agents outside of the United States?.		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.		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.		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.		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions).		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.	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.		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	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? <i>If "Yes," complete Schedule I, Parts I and II.</i>	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? <i>If "Yes," complete Schedule I, Parts I and III.</i>	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? <i>If "Yes," complete Schedule J.</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		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? <i>If "Yes," complete Schedule L, Part I.</i>		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? <i>If "Yes," complete Schedule L, Part I.</i>		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? <i>If "Yes," complete Schedule L, Part II.</i>		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? <i>If "Yes," complete Schedule L, Part III.</i>		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? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		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? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		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? <i>If "Yes," complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		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)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		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? <i>If "Yes," complete Schedule R, Part VI.</i>		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.	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 [X]

Table with columns for question number, question text, sub-questions (1a-14b), Yes, and No. Includes questions about Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 4966, Form 720, and Form 702.

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

Table with 3 columns: Question, Yes, No. Rows include 1a (17), 1b (15), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
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.
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:

JEFFREY HEBERT P O BOX 2000 RANDOLPH, VT 05060

802-728-2356

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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MATT CONSIDINE CHAIR	1.00 2.00	X		X				0.	0.	0.
(2) LINCOLN CLARK VICE CHAIR	1.00 2.00	X		X				0.	0.	0.
(3) BARBARA ROCHAT SECRETARY	1.00 2.00	X		X				0.	0.	0.
(4) JODY DAVIGNON TREASURER	1.00 2.00	X		X				0.	0.	0.
(5) BRADFORD ATWOOD TRUSTEE	1.00 2.00	X						0.	0.	0.
(6) CAROL BUSHEY TRUSTEE	1.00 2.00	X						0.	0.	0.
(7) JOAN GOLDSTEIN TRUSTEE	1.00 2.00	X						0.	0.	0.
(8) SHEILA JACOBS TRUSTEE	1.00 2.00	X						0.	0.	0.
(9) BEN JICKLING TRUSTEE	1.00 2.00	X						0.	0.	0.
(10) THERON MANNING TRUSTEE	1.00 2.00	X						0.	0.	0.
(11) PETER REED TRUSTEE	1.00 2.00	X						0.	0.	0.
(12) SUE SHERMAN TRUSTEE	1.00 2.00	X						0.	0.	0.
(13) CLAY WESTBROOK TRUSTEE	1.00 2.00	X						0.	0.	0.
(14) DANIEL BENNETT CEO	40.00 2.00	X		X				278,110.	0.	37,400.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) JOSEPH PELLETIER ----- TRUSTEE/MED STAFF PRESIDENT	40.00 ----- 1.00	X						216,674.	0.	43,397.
(16) TODD WINSLOW ----- TRUSTEE	1.00 ----- 1.00	X						0.	0.	0.
(17) PETER NOWLAN ----- TRUSTEE	1.00 ----- 1.00	X						0.	0.	0.
(18) AUGUST MEYER ----- TRUSTEE END 12/17	1.00 ----- 3.00	X						0.	0.	0.
(19) BOB WRIGHT ----- TRUSTEE END 12/17	1.00 ----- 2.00	X						0.	0.	0.
(20) SUE STYSMA ----- TRUSTEE END 12/17	1.00 ----- 2.00	X						0.	0.	0.
(21) JEFFREY HEBERT ----- CFO	40.00 ----- 2.00			X				191,986.	0.	10,516.
(22) STEPHANIE LANDVATER ----- PHYSICIAN - ORTHOPEDICS	40.00 ----- 0.					X		588,355.	0.	50,635.
(23) ALAN ERICKSEN ----- PHYSICIAN - RADIOLOGY	40.00 ----- 0.					X		408,785.	0.	30,464.
(24) RICHARD GRAHAM ----- PHYSICIAN - UROLOGY	40.00 ----- 0.					X		448,172.	0.	58,480.
(25) JEFFREY BATH ----- PHYSICIAN - RADIOLOGY	40.00 ----- 0.					X		397,420.	0.	51,505.
1b Sub-total								278,110.	0.	37,400.
c Total from continuation sheets to Part VII, Section A								2,595,805.	0.	298,950.
d Total (add lines 1b and 1c)								2,873,915.	0.	336,350.

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 ► 54

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 15

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes entry for JOSHUA WHITE, PHYSICIAN - ER.

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 54

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

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.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation.

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

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c	88,748.					
	d Related organizations	1d						
	e Government grants (contributions) . .	1e						
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	485,924.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f ▶			574,672.				
Program Service Revenue	2a NET PATIENT SERVICE REVENUE	Business Code	624100	51,161,565.	51,161,565.			
	b PHARMACY REVENUE		446110	124,391.	124,391.			
	c DAYCARE REVENUE		812900	359,407.	305,128.	54,279.		
	d CAFETERIA REVENUE		722514	307,891.	307,891.			
	e OTHER REVENUE		624100	252,605.	252,605.			
	f All other program service revenue							
	g Total. Add lines 2a-2f ▶			52,205,859.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ▶			819,725.			819,725.	
	4 Income from investment of tax-exempt bond proceeds . ▶			0.				
	5 Royalties ▶			0.				
	6a Gross rents	(i) Real	515,883.					
		(ii) Personal						
		b Less: rental expenses		59,157.				
	c Rental income or (loss)		456,726.					
	d Net rental income or (loss) ▶			456,726.			456,726.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	11,059,965.	(ii) Other	35,941.			
		b Less: cost or other basis and sales expenses			9,627,798.	17,976.		
		c Gain or (loss)			1,432,167.	17,965.		
		d Net gain or (loss) ▶			1,450,132.			1,450,132.
	8a Gross income from fundraising events (not including \$ 88,748. of contributions reported on line 1c). See Part IV, line 18 a				51,022.			
		b Less: direct expenses b			22,753.			
		c Net income or (loss) from fundraising events. ▶			28,269.			28,269.
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. ▶			0.				
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. ▶			0.				
Miscellaneous Revenue			Business Code					
11a _____								
	b _____							
	c _____							
	d All other revenue							
e Total. Add lines 11a-11d ▶				0.				
12 Total revenue. See instructions. ▶				55,535,383.	52,151,580.	54,279.	2,754,852.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	7,465.	7,465.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	72,761.	72,761.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	778,084.	130,036.	648,048.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	23,656,304.	22,606,185.	994,130.	55,989.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,077,744.	1,022,183.	53,028.	2,533.
9 Other employee benefits	4,312,913.	4,071,345.	231,492.	10,076.
10 Payroll taxes	1,676,835.	1,564,654.	108,324.	3,857.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	29,808.		29,808.	
c Accounting	92,482.		92,482.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	192,340.		192,340.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 2	6,799,236.	6,344,367.	439,231.	15,638.
12 Advertising and promotion	28,444.	26,542.	1,837.	65.
13 Office expenses	1,133,103.	1,055,777.	74,668.	2,658.
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	760,025.	709,179.	49,098.	1,748.
17 Travel	245,053.	228,659.	15,830.	564.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	106,665.	99,529.	6,891.	245.
20 Interest	777,968.	725,922.	50,257.	1,789.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	3,012,489.	2,810,953.	194,607.	6,929.
23 Insurance	381,419.	355,902.	24,640.	877.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES & DRUGS	4,092,618.	4,092,618.		
b PROVIDER TAXES	3,153,371.	3,153,371.		
c BAD DEBT	2,317,389.	2,317,389.		
d LICENSES, DUES, SUBSCRIPTION	379,907.	354,491.	24,542.	874.
e All other expenses	288,701.	264,019.	23,833.	849.
25 Total functional expenses. Add lines 1 through 24e	55,373,124.	52,013,347.	3,255,086.	104,691.
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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	69,368.	1	200,308.
	2 Savings and temporary cash investments	3,362,779.	2	1,811,149.
	3 Pledges and grants receivable, net	388,725.	3	258,029.
	4 Accounts receivable, net	8,499,336.	4	6,142,802.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	0.	7	0.
	8 Inventories for sale or use	1,368,956.	8	1,333,379.
	9 Prepaid expenses and deferred charges	1,395,466.	9	1,456,996.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 84,573,899.		
	b Less: accumulated depreciation	10b 47,427,225.	39,329,212.	10c 37,146,674.
	11 Investments - publicly traded securities	36,167,471.	11	37,893,897.
	12 Investments - other securities. See Part IV, line 11	0.	12	0.
	13 Investments - program-related. See Part IV, line 11	0.	13	0.
	14 Intangible assets	5,788.	14	5,788.
	15 Other assets. See Part IV, line 11	7,084,632.	15	8,721,550.
16 Total assets. Add lines 1 through 15 (must equal line 34)	97,671,733.	16	94,970,572.	
Liabilities	17 Accounts payable and accrued expenses	13,134,664.	17	13,665,068.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	491,741.	19	472,457.
	20 Tax-exempt bond liabilities	19,108,013.	20	18,445,735.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	372,691.	23	400,490.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,717,035.	25	1,845,744.
	26 Total liabilities. Add lines 17 through 25	35,824,144.	26	34,829,494.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	59,732,292.	27	57,963,059.
	28 Temporarily restricted net assets	705,719.	28	594,529.
	29 Permanently restricted net assets	1,409,578.	29	1,583,490.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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	61,847,589.	33	60,141,078.	
34 Total liabilities and net assets/fund balances	97,671,733.	34	94,970,572.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	55,535,383.
2	Total expenses (must equal Part IX, column (A), line 25)	2	55,373,124.
3	Revenue less expenses. Subtract line 2 from line 1	3	162,259.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	61,847,589.
5	Net unrealized gains (losses) on investments	5	112,700.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,981,470.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	60,141,078.

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
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?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 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?
- 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.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
--	--

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

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

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

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

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

Section A. Public Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 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; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 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

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2017; 15 Public support percentage from 2016 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2017; 16b 33 1/3% support test - 2016; 17a 10%-facts-and-circumstances test - 2017; 17b 10%-facts-and-circumstances test - 2016; 18 Private foundation.

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

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support.

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

Table with 3 columns: Description, Value, Percentage. Rows include: 15 Public support percentage for 2017; 16 Public support percentage from 2016 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Value, Percentage. Rows include: 17 Investment income percentage for 2017; 18 Investment income percentage from 2016 Schedule A, Part III, line 17.

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? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
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)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b 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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
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? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," provide detail in Part VI.</i>		
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)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

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

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? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	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? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	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)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	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 <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
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? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	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? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	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? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	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 of Contributors

2017

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
 ▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
---	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization **GIFFORD MEDICAL CENTER, INC.**

Employer identification number
03-0179418

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 248,710.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 5,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 5,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 7,445.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 30,682.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **GIFFORD MEDICAL CENTER, INC.**

Employer identification number
03-0179418

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8		\$ 7,350.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9		\$ 5,356.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **GIFFORD MEDICAL CENTER, INC.**

Employer identification number

03-0179418

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____

Name of organization **GIFFORD MEDICAL CENTER, INC.**

Employer identification number
03-0179418

Part III *Exclusively* religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2017

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

▶ **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.**

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 GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ _____
- 3 Volunteer hours for political campaign activities (see instructions)

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

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

Schedule C (Form 990 or 990-EZ) 2017

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.			
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.		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No

4-Year Averaging Period Under section 501(h)

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

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)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 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).

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

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."

Table with 2 columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 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; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 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?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

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

SEE PAGE 4

Part IV Supplemental Information (continued)

SCHEDULE C, PART II-B, LINE 1I

OTHER LOBBYING ACTIVITIES:

GIFFORD MEDICAL CENTER, INC. IS A MEMBER OF THE VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS AND THE AMERICAN HOSPITAL ASSOCIATION. A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS IS AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF GIFFORD MEDICAL CENTER IN FURTHERANCE OF ITS EXEMPT PURPOSE. GIFFORD MEDICAL CENTER DOES NOT DIRECTLY PERFORM ANY LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Name of the organization

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

Part II Conservation Easements.

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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., 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

Table with 2 columns: Revenue, Assets. Rows include: 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., 1b 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.

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

Schedule D (Form 990) 2017

JSA 7E1268 2.000

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	8,357,491.	8,082,089.	7,276,399.	6,292,507.	5,709,055.
b Contributions				462,077.	
c Net investment earnings, gains, and losses	771,453.	275,402.	805,690.	521,815.	583,452.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	9,128,944.	8,357,491.	8,082,089.	7,276,399.	6,292,507.

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

- a** Board designated or quasi-endowment 76.5300 %
- b** Permanent endowment 17.3500 %
- c** Temporarily restricted endowment 6.1200 %

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

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

- (i)** unrelated organizations
- (ii)** related organizations

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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		790,516.		790,516.
b Buildings		38,575,497.	18,325,903.	20,249,594.
c Leasehold improvements		281,167.	225,961.	55,206.
d Equipment		39,529,590.	26,416,616.	13,112,974.
e Other		5,397,129.	2,458,745.	2,938,384.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				37,146,674.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	40,825.
(2) DUE FROM AFFILIATES	7,680,725.
(3) EST AMT DUE FROM THIRD PARTY	1,000,000.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	8,721,550.

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) EST AMT DUE TO THIRD PARTY	483,553.	
(3) INTEREST RATE SWAP AGREEMENT	1,446,235.	
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,845,744.	

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return. Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total revenue reported as 55,535,383.

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total expenses reported as 55,373,124.

Part XIII Supplemental Information.

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

SEE PAGE 5

Multiple horizontal lines provided for entering supplemental information.

Part XIII Supplemental Information (continued)

SCHEDULE D, PART V

USE OF ENDOWMENT FUNDS:

THE TEMPORARILY RESTRICTED ENDOWMENT NET ASSETS ARE USED FOR HEALTH CARE SERVICES AND CAPITAL. THE PERMANENTLY RESTRICTED ENDOWMENT NET ASSETS ARE USED FOR INDIGENT CARE, COMMUNITY OUTREACH INITIATIVES, NURSING, BUILDINGS, MAINTENANCE AND OPERATIONS.

SCHEDULE D, PART XI, LINE 2D

AMOUNTS INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART VIII, LINE 12:

\$ 1,061,830 CHANGE IN FV OF INTEREST RATE SWAP AGREEMENT
 (2,317,389) BAD DEBT EXPENSE
 (192,340) INVESTMENT MANAGEMENT FEES
 (137,509) EXPENSES INCLUDED IN REVENUE
 141,402 NET ASSETS RELEASED FROM RESTRICTION

 \$(1,444,006)

SCHEDULE D, PART XI, LINE 4B

AMOUNTS INCLUDED ON FORM 990, PART VIII, LINE 12, BUT NOT ON LINE 1:

\$(22,753) FUNDRAISING EVENT EXPENSES
 305,450 TEMPORARILY RESTRICTED CONTRIBUTIONS
 173,912 PERMANENTLY RESTRICTED CONTRIBUTIONS

 \$ 456,609

Part XIII Supplemental Information (continued)

SCHEDULE D, PART XII, LINE 2D

AMOUNTS INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART IX, LINE 25:

\$ 22,753 FUNDRAISING EVENT EXPENSES

SCHEDULE D, PART XII, LINE 4B

AMOUNTS INCLUDED ON FORM 990, PART IX, LINE 25, BUT NOT ON LINE 1:

\$ 2,317,389 BAD DEBT EXPENSE

137,509 EXPENSES INCLUDED IN REVENUE

\$ 2,454,898

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

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.

2017

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

Open to Public Inspection

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

Name of the organization
GIFFORD MEDICAL CENTER, INC.

Employer identification number
03-0179418

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 <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No
- b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(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			
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total							

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

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
		LAST MILE RIDE (event type)	(event type)	(total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	139,770.		139,770.	
	2	Less: Contributions	88,748.		88,748.	
	3	Gross income (line 1 minus line 2)	51,022.		51,022.	
Direct Expenses	4	Cash prizes				
	5	Noncash prizes	158.		158.	
	6	Rent/facility costs	2,944.		2,944.	
	7	Food and beverages	1,771.		1,771.	
	8	Entertainment				
	9	Other direct expenses	17,880.		17,880.	
	10	Direct expense summary. Add lines 4 through 9 in column (d) ▶				22,753.
	11	Net income summary. Subtract line 10 from line 3, column (d) ▶				28,269.

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	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary. Add lines 2 through 5 in column (d) ▶				
	8	Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				

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

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

b If "No," explain: _____

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

b If "Yes," explain: _____

- 11 Does the organization conduct gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity conducted in:

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 ▶ _____

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

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

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2017

Open to Public Inspection

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
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: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>225.0000</u> %	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: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
5c 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?		
6a Did the organization prepare a community benefit report during the tax year?	X	
6b If "Yes," did the organization make it available to the public?	X	

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)			276,714.		276,714.	.52
b Medicaid (from Worksheet 3, column a)			11,973,748.	8,852,906.	3,120,842.	5.88
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			12,250,462.	8,852,906.	3,397,556.	6.40
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			621,442.	319,378.	302,064.	.57
f Health professions education (from Worksheet 5)			77,161.	4,400.	72,761.	.14
g Subsidized health services (from Worksheet 6)			5,139,733.	4,058,381.	1,081,352.	2.04
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			7,465.		7,465.	.01
j Total. Other Benefits			5,845,801.	4,382,159.	1,463,642.	2.76
k Total. Add lines 7d and 7j.			18,096,263.	13,235,065.	4,861,198.	9.16

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			219,755.	50,142.	169,613.	.32
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			219,755.	50,142.	169,613.	.32

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?	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.		
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		
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)	18,648,516.
6 Enter Medicare allowable costs of care relating to payments on line 5	18,838,455.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	-189,939.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	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	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 %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

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

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 GIFFORD MEDICAL CENTER
 P O BOX 2000
 RANDOLPH VT 05060
 WWW.GIFFORDHEALTHCARE.ORG
 829

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X			X		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 GIFFORD MEDICAL CENTER

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

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply):	X	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>17</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	X	
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART V, SECTION C</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>17</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group GIFFORD 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? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>225.0000</u> % and FPG family income limit for eligibility for discounted care of <u>300.0000</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance? 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):	X	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group GIFFORD 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?	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	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d	<input type="checkbox"/> Actions that require a legal or judicial process		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
f	<input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d	<input type="checkbox"/> Actions that require a legal or judicial process		
e	<input type="checkbox"/> 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	<input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b	<input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c	<input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d	<input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e	<input type="checkbox"/> Other (describe in Section C)		
f	<input type="checkbox"/> 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?	X	
If "No," indicate why:			
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group GIFFORD 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	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.		X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.		X

Schedule H (Form 990) 2017

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.

SCHEDULE H, PART V, SECTION B, LINE 5

COMMUNITY INPUT:

THE 2015 SURVEY FORM WAS REVIEWED AND MINOR REVISIONS WERE MADE FOR 2017-2018. TO REACH A BROADER DEMOGRAPHIC SAMPLE, THE SURVEY WAS ADMINISTERED ONLINE THROUGH SURVEY MONKEY AND A LINK WAS DISTRIBUTED VIA EMAIL AND FACEBOOK TO REACH STAFF AND COMMUNITY MEMBERS.

THE SURVEY WAS ALSO SHARED ON FRONT PORCH FORUM, A SOCIAL NETWORKING SITE DESIGNED TO CONNECT PEOPLE WITH OTHERS IN THEIR NEIGHBORHOODS. MEMBERS OF THE RANDOLPH EXECUTIVE COMMUNITY COUNCIL WERE PROVIDED WITH PAPER COPIES TO DISTRIBUTE TO CLIENTS EITHER DIRECTLY OR BY PLACING THEM IN AGENCY WAITING ROOMS. COMMUNITY HEALTH TEAM (BLUEPRINT) PARTNER AGENCIES WERE ALSO ASKED TO DISTRIBUTE PRINTED COPIES, AND PRINTED COPIES WERE PUT IN ALL OF GIFFORD PRIMARY CARE CLINICS.

SCHEDULE H, PART V, SECTION B, LINES 7A & 10A

CHNA & IMPLEMENTATION STRATEGY WEBSITE:

[HTTPS://GIFFORDHEALTHCARE.ORG/ABOUT-US/COMMUNITY-REPORTS/](https://giffordhealthcare.org/about-us/community-reports/)

SCHEDULE H, PART V, SECTION B, LINE 11

ADDRESSING IDENTIFIED NEEDS:

GIFFORD'S MISSION IS TO PROVIDE ACCESSIBLE, QUALITY LOCAL HEALTH CARE TO EVERY PERSON WHO WALKS THROUGH OUR DOORS. IN 2018, AS PART OF THE FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT, WE PERFORMED A COMMUNITY HEALTHCARE NEEDS ASSESSMENT IN PART THROUGH SURVEYING COMMUNITY MEMBERS

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.

IN MULTIPLE AREA TOWNS.

GIFFORD HAS STRATEGICALLY WORKED TO ADDRESS THE COMMUNITY'S NEED WITHIN ITS ROLE AS A HEALTH CARE PROVIDER. AREAS INITIALLY IDENTIFIED AS HEALTH PROBLEMS INCLUDE: PREVENTATIVE HEALTH CARE, SUBSTANCE ABUSE COUNSELING, NUTRITION/OBESITY, AND DENTAL CARE. THIS UPDATE OUTLINES AREAS OF ONGOING FOCUS IN 2018:

PREVENTATIVE HEALTHCARE/ACCESS TO HEALTHCARE: TO FACILITATE AN INCREASED FOCUS ON PREVENTATIVE HEALTH CARE AND IMPROVE ACCESS TO CARE, GIFFORD HAS IMPLEMENTED A NEW PRIMARY CARE TEAM MODEL THAT PAIRS A PHYSICIAN WITH NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS WHO ARE SPECIALLY TRAINED TO HELP PATIENTS WITH PREVENTATIVE AND PRIMARY CARE.

SUBSTANCE ABUSE COUNSELING: AS A FEDERALLY QUALIFIED HEALTH CENTER GIFFORD'S BEHAVIORAL HEALTH AND BLUEPRINT FOR HEALTH TEAM SPECIALISTS OFFER COUNSELING AND ONE-ON-ONE PATIENT CARE AT ALL GIFFORD PRIMARY CARE LOCATIONS. A NEWLY-CREATED ADDICTION MEDICINE PROGRAM, FULLY STAFFED WITH A BOARD CERTIFIED PSYCHIATRIST CERTIFIED IN ADDICTION MEDICINE, AND A LICENSED ALCOHOL AND DRUG COUNSELOR, OFFERS ONGOING SUBOXONE TREATMENT FOR PATIENTS WITH COMPLEX NEEDS, SUBOXONE PROVIDER SUPPORT, EDUCATION, CONSULTATION, AND THERAPY TO HELP PATIENTS REBUILD LIVES DAMAGED BY OPIOID USE DISORDER.

OBESITY: GIFFORD'S PRIMARY CARE TEAM HAS LONG BEEN A PROPONENT OF HEALTHY

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.

LIFESTYLE CHOICES FOR GOOD HEALTH AND THE PREVENTION OF DISEASE AND OBESITY. BMIS ARE DETERMINED AT ANNUAL HEALTH SCREENINGS AND PATIENTS ARE GUIDED BY PROVIDERS AND GIFFORD'S REGISTERED DIETITIANS ON HEALTHY DIETS AND PORTION CONTROL. DISCUSSIONS IN SUPPORT GROUP SETTINGS (SUCH AS DIABETES AND OTHER CHRONIC CONDITIONS) OFTEN FOCUS ON HEALTHY CHOICES TO REDUCE AND PREVENT DISEASE. PATIENTS ARE STRONGLY ENCOURAGED TO BE PHYSICALLY ACTIVE. IN 2019 GIFFORD WILL BEGIN A PARTNERSHIP WITH VEGGIE VAN GO, A PROGRAM OF THE VERMONT FOODBANK. ONCE A MONTH ALL AREA COMMUNITY MEMBERS WITH ANY FOOD INSECURITIES WILL BE INVITED TO GIFFORD TO PICK UP VEGETABLES AS NO COST.

DENTAL CARE: GIFFORD'S FEDERALLY QUALIFIED HEALTH CENTER DESIGNATION HAS BROUGHT RESOURCES THAT HELP US SUPPORT LOCAL DENTISTS AS THEY STRIVE TO BETTER CARE FOR THE UNDERSERVED AND UNINSURED. TO INCREASE AWARENESS OF DENTAL HEALTH, WE HAVE PARTNERED WITH HEALTHHUB, A LOCAL NONPROFIT WITH A MOBILE DENTAL TRAILER. THE TRAILER TRAVELS TO A VARIETY OF LOCATIONS, INCLUDING AREA SCHOOLS AND GIFFORD, TO OFFER SCREENINGS, X-RAYS, EXAMINATIONS AND CLEANINGS BY A DENTAL HYGIENIST.

SCHEDULE H, PART V, SECTION B, LINES 16A, 16B, & 16C

FAP, FAP APPLICATION, AND PLS WEBSITE:

[HTTPS://GIFFORDHEALTHCARE.ORG/SERVICE/AFFORDABLE-CARE-PROGRAM/](https://GIFFORDHEALTHCARE.ORG/SERVICE/AFFORDABLE-CARE-PROGRAM/)

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.

SCHEDULE H, PART V, LINE 16J

MEASURES TO PUBLICIZE THE POLICY:

GIFFORD MEDICAL CENTER CONTACTS ANY UNINSURED PATIENTS THAT WILL REGISTER WITH THE HOSPITAL TO SEE IF THEY ARE IN NEED OF FINANCIAL ASSISTANCE.

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? 5

Name and address	Type of Facility (describe)
1 GIFFORD HEALTH CARE AT BERLIN 82 EAST VIEW LANE BERLIN VT 05641	RURAL HEALTH CENTER
2 ADVANCE PHYSICAL THERAPY 331 OLCOTT DRIVE WHITE RIVER JUNCTION VT 05001	RURAL HEALTH CENTER
3 KINGWOOD HEALTH CENTER 1422 ROUTE 66 RANDOLPH VT 05060	RURAL HEALTH CENTER
4 SHARON HEALTH CENTER 12 SHIPPEE LANE SHARON VT 05065	RURAL HEALTH CENTER
5 TWIN RIVER HEALTH CENTER 108 N MAIN STREET WHITE RIVER JUNCTION VT 05001	RURAL HEALTH CENTER
6 	
7 	
8 	
9 	
10 	

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.

SCHEDULE H, PART I, LINE 7, COLUMN F

PERCENT OF TOTAL EXPENSE:

TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS
TOTAL OPERATING EXPENSES PER PART IX, LINE 25, OF THE FORM 990 WAS
REDUCED BY BAD DEBT EXPENSE OF \$2,317,389.

SCHEDULE H, PART I, LINE 7G

SUBSIDIZED SERVICES:

THE ORGANIZATION HAS INCLUDED COSTS ASSOCIATED WITH RURAL HEALTH CENTERS
(RHS) IN THE CALCULATION OF SUBSIDIZED SERVICES ON LINE 7G, WHICH A NET
SUBSIDY FROM RCHS OF \$807,018. THESE SERVICES ARE PROVIDED IN RURAL AREAS
WHERE THERE WOULD BE A SHORTAGE OF QUALITY MEDICAL CARE WITHOUT THE
SERVICES. GIFFORD MEDICAL CENTER CONTINUES TO PROVIDE THESE SERVICES AS A
BENEFIT TO THE COMMUNITY DESPITE KNOWING THAT FINANCIAL SHORTFALLS WILL
BE SUSTAINED.

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.

SCHEDULE H, PART I, LINE 7

COSTING METHODOLOGY:

THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED IN THE
CALCULATION OF COST ON IRS WORKSHEET 1 AND 6.

SCHEDULE H, PART II

COMMUNITY BUILDING ACTIVITIES:

INCLUDED IN PART II AS COMMUNITY BUILDING ACTIVITIES ARE LOCAL HIGH
SCHOOL LECTURES, JOB SHADOWING, AND AFTER SCHOOL PROGRAMS. THESE
ACTIVITIES PROVIDE OPPORTUNITIES TO ADDRESS THE ROOT CAUSE OF HEALTH
PROBLEMS, INCLUDING POVERTY, HOMELESS, AND UNEMPLOYMENT.

SCHEDULE H, PART III, SECTION A, LINE 2

BAD DEBT EXPENSE:

THE ORGANIZATION CALCULATED BAD DEBT USING THE PROVISION FOR
UNCOLLECTIBLE ACCOUNTS PER THE AUDITED FINANCIAL STATEMENTS.

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.

SCHEDULE H, PART III, SECTION A, LINE 3

BAD DEBT EXPENSE ATTRIBUTABLE TO CHARITY CARE:

BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY WAS DETERMINED USING POVERTY LIMIT DEMOGRAPHIC INFORMATION OBTAINED THROUGH THE US CENSUS BUREAU.

SCHEDULE H, PART III, SECTION A, LINE 4

BAD DEBT EXPENSE FOOTNOTE:

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE. THEY DO, HOWEVER, CONTAIN A FOOTNOTE THAT DESCRIBES PATIENT ACCOUNTS RECEIVABLE: ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. IN EVALUATING THE COLLECTIBLE OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR UNCOLLECTIBLE ACCOUNTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAY SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

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.

SCHEDULE H, PART III, SECTION B, LINE 8

COMMUNITY BENEFIT:

SERVING PATIENTS WITH GOVERNMENT HEALTH BENEFITS, SUCH AS MEDICARE, IS A COMPONENT OF THE COMMUNITY BENEFIT STANDARD THAT TAX-EXEMPT HOSPITALS ARE HELD TO. THIS IMPLIES THAT SERVING MEDICARE PATIENTS IS A COMMUNITY BENEFIT AND THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY.

SCHEDULE H, PART III, SECTION C, LINE 9B

COLLECTION POLICY:

THE APPLICATION FOR AND APPROVAL OF FINANCIAL ASSISTANCE CAN OCCUR BEFORE, DURING OR AFTER TREATMENT SO LONG AS THE ACCOUNT HAS NOT BEEN WRITTEN OFF TO BAD DEBT PRIOR TO RECEIPT OF A COMPLETED APPLICATION AND THE NECESSARY DOCUMENTATION. ACCOUNTS SENT TO BAD DEBT AFTER REQUIRED INFORMATION HAS BEEN RECEIVED CAN BE RETURNED FROM COLLECTIONS FOR PROCESSING WITHOUT PENALTY TO THE APPLICANT. GIFFORD MEDICAL CENTER, INC., ENCOURAGES THE APPLICATION PROCESS TO BEGIN AS EARLY AS POSSIBLE.

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.

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

IDENTIFYING AND MEETING THE COMMUNITY'S HEALTH CARE NEEDS WOULD NOT BE POSSIBLE WITHOUT INPUT FROM THE PUBLIC.

GIFFORD MEDICAL CENTER PROVIDES AMPLE OPPORTUNITIES FOR THE PUBLIC TO PROVIDE BOTH INPUT AND ACTIVELY PARTICIPATE IN MEDICAL CENTER ACTIVITIES. THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS, ANNUAL HOSPITAL REPORT CARD MEETINGS, PATIENT SATISFACTION SURVEYS AND ONE-ON-ONE COMMENTS TO HOSPITAL STAFF AND BOARD MEMBERS HELP DIRECT STRATEGIC PLANNING AND OPERATIONAL DECISIONS.

EVERY THREE YEARS, GIFFORD ENGAGES IN AN EXTENSIVE STRATEGIC PLANNING PROCESS THAT RESULTS IN THE IDENTIFICATION AND IMPLEMENTATION OF A LIST OF INITIATIVES THE HOSPITAL STRIVES TO ACHIEVE OVER THE COMING THREE YEARS. SUCCESS AT ACHIEVING THOSE INITIATIVES THROUGHOUT, AND BY THE CONCLUSION OF THE THREE-YEAR PERIOD IS EXTENSIVELY MONITORED BY THE HOSPITAL'S LEADERS, INCLUDING ITS VOLUNTEER BOARD OF TRUSTEES.

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.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

PATIENTS ARE ADVISED OF COMMUNITY OUTREACH AND ARE ENCOURAGED TO SET UP AN APPOINTMENT TO MEET WITH THE APPROPRIATE GIFFORD MEDICAL CENTER PERSONNEL. THE PATIENTS ARE ALSO DIRECTED TO GMC'S WEBSITE FOR AN EXPLANATION OF THE FREE CARE POLICY PROCESS.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

IN ADDITION TO THE CLINICAL OFFICES LOCATED ON THE ORGANIZATION'S MAIN CAMPUS IN RANDOLPH, VERMONT, THE ORGANIZATION OPERATES COMMUNITY HEALTH CARE CENTERS LOCATED IN SHARON, BERLIN, RANDOLPH, AND WHITE RIVER JUNCTION, VERMONT. THE RANDOLPH/BAINTREE AREA PROVIDES THE MOST VISITS AND IS LOCATED IN ORANGE COUNTY, VERMONT. ORANGE COUNTY DEMOGRAPHICS SHOW APPROXIMATELY 21.2% OVER THE AGE OF 65 AND 18.3% UNDER 18 YEARS. OVER 96.8% ARE WHITE, WITH 49.9% FEMALE. THE AVERAGE HOUSEHOLD INCOME IS \$56,584 WITH THE POVERTY LEVEL AT 10.4%, COMPARED TO THE STATE'S 12.3%.

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.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

AS A COMMUNITY HOSPITAL, GIFFORD MEDICAL CENTER'S MISSION TO IMPROVE THE HEALTH OF THE PEOPLE BY PROVIDING AND ASSURING ACCESS TO AFFORDABLE AND HIGH QUALITY HEALTH CARE, AND BY PROMOTING THE HEALTH AND WELLBEING OF EVERYONE IN OUR SERVICE AREA. WE OFFER DIAGNOSTIC TECHNOLOGIES THAT INCLUDE A 64-SLICE CT SCANNER, A MOBILE MRI UNIT, A FILMLESS RADIOLOGY SYSTEM, 3D MAMMOGRAPHY AND STEREOTACTIC BREAST BIOPSIES. OUR 25-BED CRITICAL ACCESS HOSPITAL HAS A BIRTHING CENTER THAT IS RECOGNIZED AROUND THE STATE. WE HAVE A 24-HOUR EMERGENCY DEPARTMENT, A CHILDCARE CENTER AND SO MUCH MORE.

THE FOLLOWING ARE THE ACTIVITIES FOR 2018:

TWO NEW SURGEONS JOINED THE GIFFORD GENERAL SURGERY TEAM. THE GENERAL SURGERY TEAM PROVIDED FREE SKIN CANCER SCREENINGS. GIFFORD'S PHYSICAL THERAPY TEAM CONTRACTED WITH AREA SCHOOL AND ATHLETIC TEAMS TO PROVIDE ATHLETIC TRAINING SERVICES TO REDUCE THE RISK OF INJURY DURING SPORTING EVENTS. PT STAFF ALSO MET WITH COACHES TO ASSIST THEM IN UNDERSTANDING

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.

PROPER TAPING TECHNIQUE FOR STUDENT ATHLETES. THE ORTHOPEDIC DEPT.

OFFERED TALKS REGARDING JOINT REPLACEMENTS, PODIATRY HELD "HAPPY FEET"

EDUCATION TALKS TO EDUCATE THE COMMUNITY ON HOW TO BETTER CARE FOR THEIR

FEET. GIFFORD HELD A 6 WEEK "DOSE OF REALITY" EDUCATION SERIES WHICH

COVERED THE MANY ASPECTS OF ADDICTION AND RESOURCES AVAILABLE. GIFFORD

HOSTED A VIEWING OF "HEROIN" WITH DISCUSSION. BEING MORTAL MOVIE VIEWING

TO ADDRESS THE CONCERNS OF END OF LIFE CARE. GIFFORD OFFERED EDUCATION ON

BULLYING, TICK SAFETY, NUTRITION, INJURY PREVENTION WITH A LOCAL NOT FOR

PROFIT SCHOOL THAT MOVED INTO THE AREA. GIFFORD HOSTED AN AREA BLOOD

DRIVE WITH THE RED CROSS. ATTENDING THE TUNBRIDGE WORLDS FAIR TO EDUCATE

THE PUBLIC ON HEALTH CONCERNS THEY MAY HAVE AND AVAILABLE RESOURCES.

GIFFORD PROVIDED FREE COMMUNITY BREAKFASTS AND LUNCHESES WITHIN THE SERVICE

AREA AS A WAY OF PROVIDING FOR AND GATHERING COMMUNITY MEMBERS TOGETHER

WHICH PROVIDES SOCIAL OPPORTUNITIES TO THE COMMUNITY.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM:

THE GIFFORD HEALTH CARE SYSTEM INCLUDES GIFFORD HEALTH CARE, INC. (GHC),

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.

GIFFORD MEDICAL CENTER, INC. (GMC), AND GIFFORD RETIREMENT COMMUNITY, INC. (GRC). GRC IS A FEDERALLY QUALIFIED HEALTH CENTER (FQHC). GIFFORD MEDICAL CENTER, INC. IS A 25-BED CRITICAL ACCESS HOSPITAL (CAH) PROVIDING GENERAL AND SPECIALTY SERVICES. GIFFORD RETIREMENT COMMUNITY, INC. HAS A 30-BED NURSING HOME UNIT, ADULT DAY SERVICES AND INDEPENDENT LIVING FACILITY.

**SCHEDULE I
(Form 990)**

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

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.

Department of the Treasury
Internal Revenue Service

Name of the organization

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

Part I General Information on Grants and Assistance

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) STAGECOACH TRANSPORTATION SERVICES, INC. DEPOT SQUARE RANDLOPH, VT 05060	03-0276517	501(C)(3)	7,465.				COMMUNITY BENEFIT
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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

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

Schedule I (Form 990) (2017)

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 PATIENT GRANTS	73.	72,761.			
2					
3					
4					
5					
6					
7					

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

SCHEDULE I, PART I, LINE 2

MONITORING GRANT FUNDS:

THE ORGANIZATION PROVIDES GRANTS TO PATIENTS USING THE RESULTS OF THE LAST MILE RIDE SPECIAL FUNDRAISING EVENT. THE GRANTS ASSIST PATIENTS AND THEIR FAMILIES WITH END OF LIFE CARE AND PLANNING. MULTIPLE COMMITTEES REVIEW GRANT REQUESTS AND THE BOARD REVIEWS DISTRIBUTIONS.

THE ORGANIZATION GRANTED FUNDS TO STAGECOACH TRANSPORTATION SERVICES TO SUPPORT THEIR OPERATIONS. GMC'S PATIENTS USE THE TRANSPORTATION SERVICES PROVIDED BY STAGECOACH SO GMC HAS A CLOSE RELATIONSHIP AND CAN MONITOR

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

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

THE USE OF FUNDS BY OBSERVING SERVICES OFFERED IN THE COMMUNITY.

**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

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
 - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
 - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

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

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

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

Schedule J (Form 990) 2017

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 DANIEL BENNETT CEO	(i)	252,910.	7,200.	18,000.	3,263.	34,137.	315,510.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 JEFFREY HEBERT CFO	(i)	184,884.	0.	7,102.	9,587.	929.	202,502.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 JOSEPH PELLETIER TRUSTEE/MED STAFF PRESIDENT	(i)	213,020.	0.	3,654.	10,506.	32,891.	260,071.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 STEPHANIE LANDVATER PHYSICIAN - ORTHOPEDICS	(i)	535,945.	34,410.	18,000.	10,506.	40,129.	638,990.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 ALAN ERICKSEN PHYSICIAN - RADIOLOGY	(i)	349,458.	45,865.	13,462.	12,954.	17,510.	439,249.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 RICHARD GRAHAM PHYSICIAN - UROLOGY	(i)	405,172.	25,000.	18,000.	17,808.	40,672.	506,652.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 JEFFREY BATH PHYSICIAN - RADIOLOGY	(i)	327,496.	38,462.	31,462.	16,192.	35,313.	448,925.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 JOSHUA WHITE PHYSICIAN - ER	(i)	285,751.	58,662.	0.	16,111.	37,842.	398,366.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

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

SCHEDULE J, PART I, LINE 7

NON-FIXED PAYMENTS:

GIFFORD MAINTAINS FINANCIAL INCENTIVES FOR PROVIDERS. PROVIDER INCENTIVES INCORPORATE PRODUCTIVITY, CITIZENSHIP (CONTRIBUTION TO HOSPITAL AND COMMUNITY ACTIVITIES) AND RETENTION. GIFFORD'S PRODUCTIVITY MEASURES ARE DESIGNED TO ENSURE THAT ALL PROVIDERS ACHIEVE A STANDARD LEVEL OF PRODUCTIVITY. GIFFORD ALSO HAS AN EMPLOYEE REFERRAL PROGRAM. THE EMPLOYEE RECEIVES COMPENSATION FOR THE SUCCESSFUL HIRE OF A QUALIFIED CANDIDATE.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

GROUP 1

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

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A VERMONT EDUCATION & HEALTH BUILDING FINANCING AGEN	23-7154467		12/17/2014	20,840,000.	TO FINANCE GIFFORD'S CAPITAL PROJE		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	20,840,000.							
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows	18,654,218.							
7 Issuance costs from proceeds	185,782.							
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	2,000,000.							
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2014							
	Yes	No	Yes	No	Yes	No	Yes	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		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

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

Part III Private Business Use (Continued)

GROUP 1

Table with 9 rows and 8 columns (A, B, C, D). Rows include questions about management contracts, research agreements, and bond-financed property usage.

Part IV Arbitrage

Table with 7 rows and 8 columns (A, B, C, D). Rows include questions about Form 8038-T, arbitrage rebates, and bond issue characteristics.

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

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2017

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

Name of the organization
GIFFORD MEDICAL CENTER, INC.

Employer identification number
03-0179418

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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

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

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MAGEE OFFICE SUPPLIES	SEE PART V	69,616.	PURCHASED SUPPLIES		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

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

SCHEDULE L, PART IV, LINE 1, COLUMN B

RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION:

TODD WINSLOW, A DIRECTOR, IS 50% OWNER OF MAGEE OFFICE SUPPLIES.

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

Department of the Treasury
Internal Revenue Service

Name of the organization

GIFFORD MEDICAL CENTER, INC.

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

03-0179418

FORM 990, PART III, LINE 4D

OTHER PROGRAM SERVICE ACCOMPLISHMENTS:

GIFFORD MEDICAL CENTER OFFERS VARIOUS OTHER HEALTH CARE SERVICES TO THE
CENTRAL VERMONT AREA. OTHER SERVICES AVAILABLE INCLUDE ANESTHESIOLOGY,
RADIOLOGY, LABORATORY, RESPIRATORY THERAPY, PHYSICAL THERAPY,
OCCUPATIONAL THERAPY, SPEECH PATHOLOGY, ELECTROCARDIOLOGY, CHEMOTHERAPY,
EMERGENCY, SKILLED NURSING, LABOR AND DELIVERY, NURSERY, RADIOISOTOPE,
AND ELECTROENCEPHALOGRAPHY.

FORM 990, PART V, LINE 2A

W-2'S FILED:

GIFFORD MEDICAL CENTER ALSO FILES W-2'S FOR ITS RELATED ORGANIZATIONS,
GIFFORD HEALTH CARE, INC. (GHC) AND GIFFORD RETIREMENT COMMUNITY, INC.
(GRC). THE TOTAL NUMBER OF W-2'S FILED INCLUDES THESE W-2'S. THE
COMPENSATION, EMPLOYEE BENEFITS AND PAYROLL TAXES ARE THEN
ALLOCATED TO GHC AND GRC FOR THE AMOUNTS THAT REPRESENT WORK PERFORMED
FOR THOSE ORGANIZATIONS. THEREFORE, THE AMOUNT REPORTED ON PART IX
INCLUDES ONLY THOSE AMOUNTS ALLOCATED TO WORK PERFORMED DIRECTLY FOR
GIFFORD MEDICAL CENTER. THE HIGHEST PAID EMPLOYEES ARE DETERMINED BY THE
WORK PERFORMED FOR EACH ORGANIZATION. THEREFORE, THE FIVE HIGHEST PAID
EMPLOYEES LISTED ON PART VII AND SCHEDULE J ARE THOSE EMPLOYEES WHO WORK
DIRECTLY FOR GIFFORD MEDICAL CENTER, INC.

IN ADDITION, DANIEL BENNETT SERVED AS CEO AND JEFFREY HEBERT SERVED AS

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
--	--

CFO OVER GIFFORD MEDICAL CENTER, GIFFORD HEALTH CARE, AND GIFFORD RETIREMENT COMMUNITY. THEIR COMPENSATION HAS BEEN SHOWN IN PART VIII AS PAID BY GIFFORD MEDICAL CENTER ONLY, ALTHOUGH THEIR TIME SPENT IS ATTRIBUTABLE TO ALL THREE ENTITIES.

FORM 990, PART VI, SECTION A, LINE 6, 7A, & 7B

ORGANIZATION'S MEMBERS:

THE MEMBERSHIP OF THE ORGANIZATION CONSISTS OF THOSE PERSONS SERVING AS CORPORATORS. TO BE ELIGIBLE TO SERVE AS A CORPORATOR, AN INDIVIDUAL MUST SUPPORT THE MISSION AND PURPOSES OF THE ORGANIZATION. CORPORATORS ARE NOMINATED BY THE NOMINATING COMMITTEE AND ELECTED BY MAJORITY VOTE OF THE CORPORATORS PRESENT AT THE ANNUAL MEETING OF THE CORPORATORS, AND SERVE A TERM OF THREE YEARS.

THE CORPORATORS SHALL ELECT A MINORITY OF THE TRUSTEES OF THE ORGANIZATION, WHO MANAGE AND CONDUCT THE AFFAIRS OF THE ORGANIZATION. THE CORPORATORS MAKE NO OTHER GOVERNANCE DECISIONS FOR THE ORGANIZATION, NOR ARE THE DECISION OF THE BOARD OF TRUSTEES SUBJECT TO APPROVAL BY THE CORPORATIONS.

ADDITIONALLY, THE BOARD OF DIRECTORS OF GIFFORD HEALTH CARE, INC. (GHC), APPOINTS A MAJORITY OF THE DIRECTORS.

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

REVIEW OF THE FORM 990:

THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
--	--

AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING DEPARTMENT OF THE ORGANIZATION. THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES FIRST REVIEWS THE FORM 990. THEN THE FULL BOARD OF TRUSTEES REVIEWS THE PUBLIC DISCLOSURE COPY OF THE FORM 990 AT ONE OF THE BOARD MEETINGS PRIOR TO FILING. THE PUBLIC DISCLOSURE COPY DOES NOT LIST THE NAMES OR ADDRESSES OF THE DONORS TO RESPECT THE CONFIDENTIALITY OF THE DONORS.

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

CONFLICT OF INTEREST POLICY:

GIFFORD MEDICAL CENTER, INC. REQUIRES BOARD MEMBERS TO COMPLETE A YEARLY CONFLICT OF INTEREST SURVEY. ANY DUALITY OF INTEREST OR POSSIBLE CONFLICT OF INTEREST ON THE PART OF ANY DIRECTOR SHALL BE DISCLOSED TO THE OTHER BOARD MEMBERS. ANY TRUSTEE HAVING DUALITY OF INTEREST OR POSSIBLE CONFLICT OF INTEREST ON ANY MATTER SHALL NOT VOTE OR USE HIS PERSONAL INFLUENCE ON THE MATTER, AND SHALL NOT BE PRESENT FOR DISCUSSION OF THE MATTER. THE MINUTES OF THE MEETING SHALL REFLECT THAT A DISCLOSURE WAS MADE AND THAT THE DIRECTOR ABSTAINED FROM VOTING AND DISCUSSION.

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

CEO COMPENSATION REVIEW:

GIFFORD MEDICAL CENTER USES A BOARD COMPENSATION COMMITTEE WITH INPUT AND DATA FROM A VARIETY OF INDEPENDENT SOURCES. THE EVALUATION AND RECOMMENDATION IS THEN PRESENTED TO THE BOARD OF DIRECTORS FOR APPROVAL.

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

OTHER OFFICER & KEY EMPLOYEE COMPENSATION REVIEW:

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
--	--

TO EVALUATE THE COMPENSATION OF THE ORGANIZATION'S OTHER OFFICERS AND KEY EMPLOYEES, THE COMPENSATION REVIEW IS ADMINISTERED BY HUMAN RESOURCES AND THE CEO. THE HUMAN RESOURCES DEPARTMENT HAS SOME INTERNAL AND EXTERNAL SOURCES THAT ARE UTILIZED TO COMPARE COMPENSATION AMOUNTS.

FORM 990, PART VI, SECTION C, LINE 19

DOCUMENT DISCLOSURE:

THE ORGANIZATION MAKES ITS CONFLICT OF INTEREST POLICY AVAILABLE UPON REQUEST. THE FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE, ANOTHER'S WEBSITE AND UPON REQUEST.

FORM 990, PART VII, SECTION A

BOARD MEMBER COMPENSATION:

JOSEPH PELLETIER (MEDICAL STAFF PRESIDENT) AND DANIEL BENNETT (CEO) ARE EMPLOYEES OF GIFFORD MEDICAL CENTER/GIFFORD HEALTH CARE AS WELL AS MEMBERS OF THE BOARD OF DIRECTORS. THEIR COMPENSATION IS RELATED TO THEIR ROLES AS EMPLOYEES. NO TRUSTEES RECEIVE COMPENSATION FOR THEIR ROLES AS TRUSTEES.

FORM 990, PART VI, LINE 9

OTHER CHANGES IN NET ASSETS OR FUND BALANCES:

\$ 1,061,830 CHANGE IN FV OF INTEREST RATE SWAP AGREEMENT

(3,043,300) TRANSFERS TO AFFILIATES

\$(1,981,470)

Name of the organization GIFFORD MEDICAL CENTER, INC.	Employer identification number 03-0179418
--	--

ATTACHMENT 1

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

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
NEAGLEY & CHASE CONSTRUCTION COMPANY 66 BOWDOIN STREET SOUTH BURLINGTON, VT 05407	BUILDING CONTRACTOR	9,224,627.
WEATHERBY LOCUMS P O BOX 972633 DALLAS, TX 75397-2633	CONTRACTED SERVICES	1,054,505.
ALLIANCE HEALTHCARE SERVICES P O BOX 96485 CHICAGO, IL 60693-6485	MRI SERVICES	483,763.
NEW ENGLAND AIR SYSTEMS P O BOX 525 WILLISON, VT 05495	CONTRACTED SERVICES	470,833.
H P CUMMINGS CONSTRUCTION INC. 5 HIGH STREET WOODSVILLE, NH 03785	BUILDING CONTRACTOR	450,627.

ATTACHMENT 2FORM 990, PART IX - OTHER FEES

<u>DESCRIPTION</u>	<u>(A) TOTAL FEES</u>	<u>(B) PROGRAM SERVICE EXP.</u>	<u>(C) MANAGEMENT AND GENERAL</u>	<u>(D) FUNDRAISING EXPENSES</u>
CONTRACT SERVICES	3,401,591.	3,174,024.	219,743.	7,824.
PHYSICIAN	1,403,053.	1,309,189.	90,637.	3,227.
MEDICAL SERVICES	944,044.	880,888.	60,985.	2,171.
OTHER PURCHASED SERVICES	883,538.	824,429.	57,077.	2,032.
FREIGHT	87,248.	81,411.	5,636.	201.
CONSULTING	59,257.	55,293.	3,828.	136.
OTHER CONTRACTED SERVICES	20,505.	19,133.	1,325.	47.
TOTALS	<u>6,799,236.</u>	<u>6,344,367.</u>	<u>439,231.</u>	<u>15,638.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2017

**Open to Public
Inspection**

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization

GIFFORD MEDICAL CENTER, INC.

Employer identification number

03-0179418

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) GIFFORD HEALTH CARE, INC. 46-0938716 44 SOUTH MAIN STREET RANDOLPH, VT 05060	FQHC/PARENT	VT	501(C)(3)	10	N/A		X
(2) GIFFORD RETIREMENT COMMUNITY, INC. 46-3593492 44 SOUTH MAIN STREET RANDOLPH, VT 05060	RETIREMENT	VT	501(C)(3)	10	GHC		X
(3)							
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2017

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

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

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

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

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

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

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

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)	X	

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

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

Part VII **Supplemental Information**

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

Gifford Health Care, Inc.

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2018 and 2017

Gifford Health Care, Inc.
September 30, 2018 and 2017

Contents

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Consolidated Financial Statements

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Statements of Operations..... 4
Statements of Changes in Net Assets 5
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Independent Auditor's Report

Board of Directors
Gifford Health Care, Inc.
Randolph, Vermont

We have audited the accompanying consolidated financial statements of Gifford Health Care, Inc. (GHC), which comprise the balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Springfield, Missouri

Gifford Health Care, Inc.
Consolidated Balance Sheets
September 30, 2018 and 2017

Assets

	2018	2017
Current Assets		
Cash and cash equivalents	\$ 1,309,804	\$ 2,597,166
Short-term investments	2,353,113	2,167,825
Patient accounts receivable, net of allowance; 2018 – \$2,265,000, 2017 – \$1,952,000	7,431,718	9,983,786
Other receivables	391,203	539,344
Estimated amounts due from third parties	1,119,012	539,373
Supplies	1,383,354	1,423,309
Prepaid expenses and other	1,835,819	1,842,885
Total current assets	15,824,023	19,093,688
Assets Limited as to Use – Internally Designated	22,562,437	22,836,249
Long-Term Investments	9,728,714	9,102,634
Property and Equipment, Net	50,508,557	53,443,851
Other Assets	4,832,736	4,550,403
Total assets	\$ 103,456,467	\$ 109,026,825

Liabilities and Net Assets

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Current maturities of long-term debt	\$ 1,802,828	\$ 861,944
Accounts payable	5,383,413	4,063,573
Accrued expenses	6,060,044	7,779,031
Estimated amounts due to third-party payers	483,553	319,554
Other	119,294	108,194
Total current liabilities	<u>13,849,132</u>	<u>13,132,296</u>
Long-Term Debt	25,442,562	29,312,256
Other Liabilities	4,823,925	4,447,821
Refundable Entrance Fees	2,810,518	1,671,910
Deferred Revenue from Entrance Fees	648,789	524,622
Deferred Annuities	444,336	431,669
Interest Rate Swap Agreement	1,446,235	2,508,065
Total liabilities	<u>49,465,497</u>	<u>52,028,639</u>
Net Assets		
Unrestricted	51,591,208	54,696,906
Temporarily restricted	816,272	891,702
Permanently restricted	1,583,490	1,409,578
Total net assets	<u>53,990,970</u>	<u>56,998,186</u>
 Total liabilities and net assets	 <u>\$ 103,456,467</u>	 <u>\$ 109,026,825</u>

Gifford Health Care, Inc.
Consolidated Statements of Operations
Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual discounts and allowances)	\$ 64,214,966	\$ 69,230,555
Provision for doubtful accounts	2,606,284	3,396,674
Net patient service revenue less provision for doubtful accounts	61,608,682	65,833,881
Other	5,177,189	4,718,904
Net assets released from restrictions used for operations	243,318	183,649
Total unrestricted revenues, gains and other support	67,029,189	70,736,434
Expenses and Losses		
Salaries and wages	36,208,631	36,941,778
Employee benefits	10,021,188	9,450,420
Purchased services and professional fees	8,469,761	7,768,867
Supplies and other	13,549,008	14,555,122
Depreciation and amortization	4,440,921	3,940,024
Interest	1,193,981	810,233
Total expenses and losses	73,883,490	73,466,444
Operating Loss	(6,854,301)	(2,730,010)
Other Income		
Investment return	2,222,575	3,032,385
Change in fair value of interest rate swap agreement	1,061,830	1,370,906
Other income	70,460	101,037
Total other income	3,354,865	4,504,328
Excess (Deficiency) of Revenues Over Expenses	(3,499,436)	1,774,318
Net assets released for acquisition of property and equipment	393,738	448,749
Increase (Decrease) in Unrestricted Net Assets	\$ (3,105,698)	\$ 2,223,067

Gifford Health Care, Inc.
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted Net Assets		
Excess (deficiency) of revenues over expenses	\$ (3,499,436)	\$ 1,774,318
Net assets released for acquisition of property and equipment	393,738	448,749
Increase (decrease) in unrestricted net assets	(3,105,698)	2,223,067
Temporarily Restricted Net Assets		
Investment return and contributions	561,626	397,104
Net assets released from restrictions	(637,056)	(632,398)
Decrease in temporarily restricted net assets	(75,430)	(235,294)
Permanently Restricted Net Assets		
Contributions	173,912	160,715
Increase in permanently restricted net assets	173,912	160,715
Change in Net Assets	(3,007,216)	2,148,488
Net Assets, Beginning of Year	56,998,186	54,849,698
Net Assets, End of Year	\$ 53,990,970	\$ 56,998,186

Gifford Health Care, Inc.
Consolidated Statements of Cash Flows
Years Ended September 30, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ (3,007,216)	\$ 2,148,488
Items not requiring (providing) cash		
Depreciation and amortization	4,440,921	3,940,024
Net gain on investments	(1,544,867)	(2,362,689)
Change in fair value of interest rate swap agreement	(1,061,830)	(1,370,906)
Restricted contributions received	(735,538)	(557,819)
Changes in		
Patient accounts receivable, net	2,552,068	(1,103,223)
Inventories	39,955	(83,087)
Estimated amounts due from and to third-party payers	(415,640)	(851,605)
Accounts payable and accrued expenses	1,511,520	1,245,460
Other assets and liabilities	246,205	(48,239)
	<u>2,025,578</u>	<u>956,404</u>
Net cash provided by operating activities		
Investing Activities		
Purchases of property and equipment	(3,443,595)	(13,724,400)
Purchase of investments	(350,742)	(2,581,589)
Proceeds from disposition of investments	1,358,053	2,075,156
	<u>(2,436,284)</u>	<u>(14,230,833)</u>
Net cash used in investing activities		
Financing Activities		
Proceeds from advanced funds received	1,316,616	2,196,532
Restricted contributions and investment income received	735,538	557,819
Proceeds from issuance of long-term debt	163,235	11,883,187
Principal payments on long-term debt	(3,092,045)	(1,698,380)
	<u>(876,656)</u>	<u>12,939,158</u>
Net cash provided by (used in) financing activities		
Decrease in Cash and Cash Equivalents	(1,287,362)	(335,271)
Cash and Cash Equivalents, Beginning of Year	<u>2,597,166</u>	<u>2,932,437</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,309,804</u>	<u>\$ 2,597,166</u>
Supplemental Cash Flows Information		
Interest paid	\$ 1,193,981	\$ 771,997
Purchase of property and equipment in accounts payable	\$ 132,660	\$ 2,097,168

Gifford Health Care, Inc.
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Principles of Consolidation

Gifford Health Care (GHC) is a not-for-profit organization incorporated under the laws of the State of Vermont for the purpose of providing health care services in Randolph, Vermont, and surrounding communities. GHC is a federally qualified health center (FQHC).

GHC includes:

Gifford Medical Center Inc. (GMC), a 25-bed critical access hospital (CAH), providing general and specialty services.

Gifford Retirement Community (GRC), which provides skilled nursing services. GRC began operating an independent living retirement community in 2017.

Collectively GHC, GMC and GRC are referred to as GHC. The consolidated financial statements include the accounts of GHC, GMC and GRC. All material intercompany accounts 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

GHC considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2018 and 2017, cash equivalents consisted primarily of sweep products. GHC utilizes repurchase and sweep products as part of their cash management policy, which are not FDIC insured, but may be covered by separate agreements with the financial institution.

At September 30, 2018, GHC's cash accounts exceeded federally insured limits by approximately \$143,000. At September 30, 2017, GHC's cash accounts did not exceed federally insured limits.

At September 30, 2018 and 2017, GHC held \$1,995,767 and \$2,993,611, respectively, in repurchase and sweep accounts.

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Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Assets Limited As To Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements which the Board retains control and may at its discretion subsequently use for other purposes.

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, GHC analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, GHC analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected doubtful deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), GHC records a significant provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

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GHC's allowance for doubtful accounts for self-pay was 88 percent and 92 percent of self-pay accounts receivable at September 30, 2018 and 2017, respectively. GHC's write-offs decreased from \$3,731,674 for the year ended September 30, 2017, to \$2,293,284 for the year ended September 30, 2018. Allowance for doubtful accounts activity for 2018 and 2017, is shown in the following table:

	2018	2017
Balance, beginning of year	\$ 1,952,000	\$ 2,287,000
Provision for year	2,606,284	3,396,674
Accounts charged off during year	(2,293,284)	(3,731,674)
Balance, end of year	\$ 2,265,000	\$ 1,952,000

Supplies

GHC states supply inventories at the lower of cost, determined using the first-in, first-out method, or market.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Land improvements	3 - 25 years
Buildings and building improvements	5 - 40 years
Equipment	3 - 25 years

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

Long-Lived Asset Impairment

GHC evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2018 and 2017.

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Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method. Deferred financing costs are presented as a reduction from long-term debt.

Deferred Revenue

GRC recognizes revenue for the fees charged to residents for rental, housekeeping and dietary services provided which is recorded at the estimated net realized amounts.

GRC also records deferred revenue from the occupancy of units in the retirement community as follows: Upon entry in the retirement community, residents pay a deposit to GRC. The deposit is 80 percent refundable to the resident contingent upon the reoccupancy of a resident's unit after the resident leaves the community. The refundable deposit is equal to the lesser of the original purchase price or resale price. Twenty percent of each deposit is nonrefundable and is amortized into income over the life expectancy of the resident. Life expectancies are adjusted annually.

GRC received proceeds from the sale of new units totaling \$1,316,616 in 2018 and \$2,196,532 in 2017. GRC did not refund any amounts in 2018 or 2017.

As of September 30, 2018 and 2017, GRC is contingently liable for \$2,810,518 and \$1,671,910, respectively, which represents the 80 percent portion of current residents' entrance deposits.

As of September 30, 2018 and 2017, the portion of advance fees representing deferred revenue \$648,789 and \$524,622, respectively, which represents the unamortized 20 percent portion of current residents' entrance deposits. GRC reported \$53,841 of deferred revenue amortization in 2018, which is included in other operating revenues. There was no revenue reported in 2017.

Based on the current fee structure and existing residency agreements, management expects that future monthly service charges will be reflective of related operating costs and, accordingly, GRC has not recorded a liability to provide future services to current residents.

Deferred Annuities

Annuity obligations represent the amount of various planned giving instruments where GRC has fiduciary responsibility for the safekeeping, investment management and distribution of such funds to designated individuals. Annuity obligations are valued at the actuarial present value of the expected payments based upon the life expectancy for the annuitants. The present value of the estimated future payments at September 30, 2018 and 2017, was \$517,921 and \$498,054, respectively, and is included in other current liabilities and deferred annuities. At September 30, 2018 and 2017, the corresponding assets to satisfy the future payments were \$1,433,338 and \$1,315,009, respectively, and is included in long-term investments.

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Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by GHC has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by GHC in perpetuity.

Net Patient Service Revenue

GHC has agreements with third-party payers that provide for payments to GHC at amounts different from their established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known. Net patient service revenue \$0 and \$300,000 in 2018 and 2017, respectively, due to changes in amounts previously estimated.

Grant Revenue

GHC is the recipient of a Consolidated Health Centers (CHC) grant from the U.S. Department of Health and Human Services (the “granting agency”). The general purpose of the grant is to provide expanded health care service delivery for residents of Randolph, Vermont, and surrounding areas. Terms of the grant generally provide for funding of GHC’s operations based on an approved budget.

Grant revenue is recognized as qualifying expenditures are incurred over the grant period. During the years ended September, 30, 2018 and 2017, GHC recognized CHC grant revenue of \$1,650,542 and \$1,505,676, respectively. GHC’s present CHC grant award covers the grant period ended January 31, 2019, and is approved at \$1,822,168. Future funding will be determined by the granting agency based on an application to be submitted by GHC prior to expiration of the present grant period.

Contract Pharmacy Program

GHC participates in the 340B outpatient drug discount program administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). GHC contracts with local retail pharmacies under the program, which resulted in additional revenues and discounts on outpatient pharmaceuticals. Net revenue from this program was approximately \$1,235,000 and \$1,254,000 greater than the cost of operating the program for 2018 and 2017, respectively. Laws and regulations surrounding the 340B drug program are complex and are subject to interpretation and change.

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Charity Care

GHC provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because GHC does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are initially reported as temporarily restricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Estimated Self-Insurance Costs

GHC records an estimated liability for self-insured employee health claims, which is included in accrued expenses, and includes an estimate of both reported claims and claims incurred but not reported.

Professional Liability Claims

GHC recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in *Note 6*.

Income Taxes

GHC, GMC and GRC have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, GHC, GMC and GRC are subject to federal income tax on any unrelated business taxable income. GHC files tax returns in the U.S. federal jurisdiction.

Excess (Deficiency) of Revenues Over Expenses

The statements of operations include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets.

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Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Subsequent Events

Subsequent events have been evaluated through _____, which is the date the financial statements were available to be issued.

Note 2: Net Patient Service Revenue

GHC recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, GHC recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of GHC's uninsured patients will be unable or unwilling to pay for the services provided. Thus, GHC records a significant provision for doubtful accounts related to uninsured patients in the period the services are provided. This provision for doubtful accounts is presented on the statement of operations as a component of net patient service revenue.

GHC has agreements with third-party payers that provide for payments to GHC at amounts different from its established rates. These payment arrangements include:

Medicare - GMC. GMC is a 25-bed facility certified by Medicare as a critical access hospital (CAH). Medicare inpatient and outpatient reimbursement as a CAH is based on the defined allowable costs of services rendered. This certification places several restrictions on a CAH's operations, including a 96-hour average annual acute-care length of stay restriction and a limit of 25 medical/surgical beds.

Medicare - GHC. Covered FQHC services rendered to Medicare program beneficiaries are paid in accordance with provisions of Medicare's Prospective Payment System (PPS) for FQHCs. Medicare payments, including patient coinsurance, are paid on the lesser of GHC's actual charge or the applicable PPS rate. Services not covered under the FQHC benefit are paid based on established fee schedules.

Medicare - GRC. Facility residents eligible for "Part A" Medicare benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the resident at a rate determined by federal guidelines.

Medicaid - GMC, GHC and GRC. Inpatient, outpatient, clinic and skilled nursing services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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GHC has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to GHC under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Patient service revenue, net of contractual allowances and discounts (but before the provision for doubtful accounts), recognized in the years ended September 30, 2018 and 2017, was approximately:

	2018	2017
Medicare	\$ 25,127,439	\$ 24,262,103
Medicaid	7,426,429	11,573,354
Blue Cross and other third-party payers	29,549,425	31,357,431
Patients	2,111,673	2,037,667
	<u>\$ 64,214,966</u>	<u>\$ 69,230,555</u>

Note 3: Concentration of Credit Risk

GHC grants credit without collateral to their patients, most of whom are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at September 30, 2018 and 2017, is:

	2018	2017
Medicare	33%	31%
Medicaid	16%	18%
Blue Cross and other third-party payers	47%	49%
Patients	4%	2%
	<u>100%</u>	<u>100%</u>

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Note 4: Investments and Investment Return

Investments, at September 30, include:

	2018	2017
Cash equivalents	\$ 464,381	\$ 1,199,900
Certificates of deposit	912,007	1,087,123
U.S. agency obligations	1,929,301	1,385,328
Corporate and foreign obligations	9,297,421	8,734,243
Equity securities		
Consumer discretionary	1,715,901	1,645,247
Consumer staples	739,104	1,753,361
Energy	1,176,007	1,346,963
Financial	2,909,839	3,146,770
Health care	3,124,927	3,136,286
Industrials	1,845,386	1,802,513
Information technology	4,145,563	5,359,176
International	3,887,221	2,966,419
Materials	598,962	250,790
Telecommunications	1,746,218	200,484
Other	152,026	92,105
	<u>\$ 34,644,264</u>	<u>\$ 34,106,708</u>

Investments are included in the consolidated balance sheets as follows:

	2018	2017
Short-term investments	\$ 2,353,113	\$ 2,167,825
Assets limited as to use	22,562,437	22,836,249
Long-term investments	9,728,714	9,102,634
	<u>\$ 34,644,264</u>	<u>\$ 34,106,708</u>

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Total investment return is comprised of the following:

	2018	2017
Interest and dividend income	\$ 677,708	\$ 669,696
Net realized gains on sales of securities	1,432,167	190,300
Net unrealized gains and losses on trading securities	112,700	2,172,389
	<u> </u>	<u> </u>
Total	<u>\$ 2,222,575</u>	<u>\$ 3,032,385</u>

Note 5: Property and Equipment

Property and equipment consists of the following at September 30, 2018 and 2017:

	2018	2017
Land and land improvements	\$ 6,033,958	\$ 6,020,606
Buildings and building improvements	51,306,043	51,139,847
Equipment	40,231,899	38,899,689
Construction in progress	1,368,411	1,448,410
	<u>98,940,311</u>	<u>97,508,552</u>
Less accumulated depreciation	48,431,754	44,064,701
	<u> </u>	<u> </u>
Property and equipment, net	<u>\$ 50,508,557</u>	<u>\$ 53,443,851</u>

At September 30, 2018, construction in progress represents costs incurred in connection with the construction of various additions and alterations to GHC's facilities and equipment.

Note 6: Professional Liability Claims

GHC purchases medical malpractice insurance under a claims-made policy. Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered. GHC also purchases excess umbrella liability coverage, which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy.

Based upon GHC's claims experience, an accrual had been made for GHC's estimated medical malpractice costs, including costs associated with litigating or settling claims, under its malpractice insurance policy, amounting to approximately \$1,023,000 and \$1,053,000 as of September 30, 2018 and 2017, respectively, which is included in accrued expenses. It is reasonably possible that this estimate could change materially in the near term.

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Note 7: Long-Term Debt

	2018	2017
Series 2014 Bonds (A)	\$ 18,445,735	\$ 19,108,013
Note payable (B)	288,325	296,607
Note payable (C)	72,912	76,084
Note payable (D)	8,483,209	10,804,080
Note payable (E)	39,253	-
	<u>27,329,434</u>	<u>30,284,784</u>
Less current maturities	1,802,828	861,944
Less unamortized debt issuance costs	<u>84,044</u>	<u>110,584</u>
	<u>\$ 25,442,562</u>	<u>\$ 29,312,256</u>

A) In December 2014, the Vermont Educational and Health Buildings Financing Agency (the “Agency”) issued \$20,840,000 of tax-exempt revenue bonds. Proceeds were used to extinguish the existing Series 2010 Bonds, pay certain costs incurred in the authorization and issuance of the Bonds and fund future capital projects. The Bonds require monthly principal and interest payments, at a variable rate of 70 percent of one-month LIBOR plus 1.23 percent. The rates as of September 30, 2018 and 2017, was 2.70 percent and 2.09 percent, respectively. The Bonds mature in December 2036, but contain a provision allowing early redemption in December 2021, 2028 and 2035, at a price equal to 100 percent of the amount outstanding.

GHC has granted a security interest in gross receipts and certain assets. The Bonds contain certain covenants including maintaining a minimum amount of days cash on hand and debt service ratio. As of September 30, 2018, GHC did not meet the required debt service coverage ratio.

Subsequent to September 30, 2018, a supplemental indenture was executed between GHC and the bondholder. The supplemental indenture revised the test dates for the coverage ratio, removing the September 30, 2018, test date, with the first measurement date now the first quarter ending December 31, 2018. Quarterly measurement dates will continue at March 31, June 30 and September 30, 2019. The supplemental indenture also added a new cash flow margin test, and if not met, increases the days cash on hand requirement to 100 days.

GHC has entered into an interest rate swap agreement to help mitigate exposure to future changes in interest rates on this Bond, see *Note 8*.

- B) Monthly payments of \$2,607 including interest at 8.0 percent, due in March 2035, secured by property.
- C) Monthly payments of \$450 including interest at 2.27 percent, due in April 2034, secured by property.

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- D) Interest only payments on outstanding amounts are due through July 2018 at 4.35 percent. From July 2018 through January 2024, monthly payments are due including interest at 4.35 percent. From January 2024 through maturity in June 2028, monthly payments are due including interest at a variable rate based on a Federal Home Loan Bank index plus 1.75 percent. Due in June 2028, secured by property.
- E) Monthly payments of \$845 including interest at 3.5 percent, due in November 2022, secured by property.

Aggregate annual maturities of long-term debt and principal payments on capital lease obligations at September 30, 2018, are:

2019	\$ 1,802,828
2020	1,932,322
2021	2,017,143
2022	2,105,696
2023	2,189,581
Thereafter	<u>17,281,864</u>
	<u><u>\$ 27,329,434</u></u>

GHC also has a \$1,000,000 line-of-credit agreement available, expiring on August 1, 2019. No amounts were outstanding at September 30, 2018 and 2017. If drawn, interest payments are due monthly at the prime rate plus 0.25 percent. The rate was 5.5 percent as of September 30, 2018. The line is unsecured.

Note 8: Interest Rate Swap Agreement

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations on its own debt, GMC entered into an interest rate swap agreement. The notional amount is adjusted every October 1. The notional amount was \$17,280,000 and \$17,845,000 at September 30, 2018 and 2017, respectively. The agreement provides for GMC to receive interest from the counterparty equivalent to the sum of 68 percent of three-month LIBOR and pay interest to the counterparty at a fixed rate of 3.08 percent. The swap expires on October 1, 2036.

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The table below presents certain information regarding GHC's interest rate swap agreement.

	2018	2017
Other Liabilities		
Fair value of interest rate swap agreement	\$ 1,446,235	\$ 2,508,065
Interest Expense		
Loss reclassified from unrestricted net assets into excess of revenues over expenses	293,029	411,323
Other Income		
Change in interest rate swap agreement	1,061,830	1,370,906

Note 9: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for health care services and capital purposes.

During 2018 and 2017, net assets were released from donor restrictions by incurring expenses, satisfying the operating restricted purposes in the amounts of \$243,318 and \$183,649, respectively.

During 2018 and 2017, net assets of \$393,738 and \$448,749, respectively, were released to purchase property and equipment.

Permanently restricted net assets are restricted at September 30, 2018 and 2017, to:

	2018	2017
Investments to be held in perpetuity, the income from which is expendable to support:		
Indigent care	\$ 227,585	\$ 227,585
Community outreach initiatives	527,116	527,116
Nursing	35,025	35,025
Buildings and maintenance	40,996	40,996
Operations	53,529	53,529
Unrestricted	699,239	525,327
	<u>\$ 1,583,490</u>	<u>\$ 1,409,578</u>

Note 10: Endowment

GHC's endowment consists of various individual donor-restricted funds which were established for general operational and certain departmental purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds,

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including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

GHC's governing body has interpreted the Uniform Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, GHC classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment, and temporarily restricted net assets, the investment earnings of the gifts donated which have not met the donor stipulations for recognition in unrestricted net assets. In accordance with UPMIFA, GHC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of GHC and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of GHC
7. Investment policies of GHC

Changes in endowment net assets for the years ended September 30, 2018 and 2017, were:

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 6,614,936	\$ 332,977	\$ 1,409,578	\$ 8,357,491
Investment return and contributions	<u>372,275</u>	<u>225,266</u>	<u>173,912</u>	<u>771,453</u>
Endowment net assets, end of year	<u>\$ 6,987,211</u>	<u>\$ 558,243</u>	<u>\$ 1,583,490</u>	<u>\$ 9,128,944</u>
	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 6,487,110	\$ 346,116	\$ 1,248,863	\$ 8,082,089
Investment return and contributions	<u>127,826</u>	<u>(13,139)</u>	<u>160,715</u>	<u>275,402</u>
Endowment net assets, end of year	<u>\$ 6,614,936</u>	<u>\$ 332,977</u>	<u>\$ 1,409,578</u>	<u>\$ 8,357,491</u>

GHC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds GHC must hold in perpetuity or for donor-specified periods, as well as

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those of board-designated endowment funds. Under GHC’s policies, endowment assets are invested in a manner that is intended to produce results equal to inflation plus four percent. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, GHC relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). GHC targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

GHC has a spending policy of appropriating for expenditure each year 4 percent of its endowment fund’s average fair value over the prior three years through the year end preceding the year in which expenditure is planned. It is GHC’s intent that the distribution rate will not exceed the total return of the endowment. In establishing this policy, GHC considered the long-term expected return on its endowment. This is consistent with GHC’s objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 11: Charity Care

The estimated costs of charity provided under GHC’s charity care policy were approximately \$299,000 and \$227,000 for 2018 and 2017, respectively. The cost of charity care is estimated by applying the ratio of cost to charges to the gross uncompensated care charges.

Note 12: Functional Expenses

GHC provides health care services primarily to residents within their geographic area. Expenses related to providing these services are as follows:

	2018	2017
Health care services	\$ 68,985,151	\$ 68,551,684
General and administrative	4,754,132	4,748,558
Fundraising	144,207	166,202
	\$ 73,883,490	\$ 73,466,444

Note 13: Pension Plan

GHC has a defined contribution pension plan covering all employees meeting age and service requirements. The plan provides for immediate vesting of all eligible employees. Discretionary contributions by GHC are funded at 4 percent of covered compensation plus an additional 1 percent matching contribution to eligible employees. Pension expense was \$1,421,940 and \$1,393,710 for

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2018 and 2017, respectively.

GHC has a deferred compensation plan for the benefit of certain employees. The assets are classified as other long-term assets and a corresponding liability. Investments held in deferred compensation plans include equity and fixed income mutual funds.

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September 30, 2018 and 2017

Note 14: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2018 and 2017.

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2018				
Investments and cash equivalents				
Cash equivalents – money market funds	\$ 464,381	\$ 464,381	\$ -	\$ -
Equity securities	21,889,128	21,889,128	-	-
Corporate obligations	9,297,421	-	9,297,421	-
U.S. agency obligations	1,929,301	-	1,929,301	-
Other	152,026	-	152,026	-
Deferred compensation plan assets – equity and fixed income mutual funds	4,447,821	-	4,447,821	-
Interest rate swap agreement	(1,446,235)	-	(1,446,235)	-

Gifford Health Care, Inc.
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2017				
Investments and cash equivalents				
Cash equivalents – money market funds	\$ 1,199,900	\$ 1,199,900	\$ -	\$ -
Equity securities	21,608,009	21,608,009	-	-
Corporate obligations	8,734,243	-	8,734,243	-
U.S. agency obligations	1,385,328	-	1,385,328	-
Other	92,105	-	92,105	-
Deferred compensation plan assets – equity and fixed income mutual funds	4,447,821	-	4,447,821	-
Beneficial interest in perpetual trust	71,938	-	71,938	-
Interest rate swap agreement	(2,508,065)	-	(2,508,065)	-

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2018.

Investments and Cash Equivalents

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. GHC has no securities classified as Level 3.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreements. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Gifford Health Care, Inc.
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Interest Rate Swap Agreement

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Cash and Cash Equivalents

The carrying amount approximates fair value.

Note 15: Related Party Transactions

GHC receives support from the Gifford Medical Center Auxiliary (Auxiliary), which is a not-for-profit thrift shop. At September 30, 2018 and 2017, GHC had \$230,625 and \$333,000, respectively, pledge receivable from the Auxiliary, which is included in other current receivables and other long-term assets.

Note 16: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *2*.

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *6*.

Self-Insurance

GHC is self-insured for employee health care benefits. Stop loss coverage is purchased for any claimant with over \$200,000 of claims in the policy year. GHC accrues a liability for self-insured losses by charging the statement of operations for certain known claims and reasonable estimates for incurred but not reported claims based on claims experience and premiums paid. The amount of actual losses incurred could differ materially from these estimates in the near term.

Gifford Health Care, Inc.
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Litigation

In the normal course of business, GHC is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by GHC's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performances of contracts. GHC evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Investments

GHC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheet.

340B Drug Pricing Program

GHC participates in the 340B Drug Pricing Program (340B Program) which provides discounted prices from drug manufacturers on outpatient pharmaceutical purchases. The 340B Program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA is currently conducting routine audits at participating health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to financial statement amounts related to the 340B Program could occur in the near term.

Note 17: Future Changes in Accounting Principles

Revenue Recognition (ASU 2014-09)

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for GHC's annual period beginning October 1, 2018. GHC is in the process of evaluating the impact the amendment will have on the consolidated financial statements.

Gifford Health Care, Inc.
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Leases (ASU 2016-02)

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for GHC's annual periods beginning October 1, 2019. GHC is evaluating the impact the standard will have on the consolidated financial statements. The standard could have a material impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.

Supplementary Information

Gifford Health Care, Inc.
Consolidating Schedule – Balance Sheet Information
September 30, 2018

Assets

	GMC	GRC	GHC	Eliminations	Total
Current Assets					
Cash and cash equivalents	\$ 635,069	\$ 421,447	\$ 253,288	\$ -	\$ 1,309,804
Short-term investments	2,353,113	-	-	-	2,353,113
Patient accounts receivable	6,142,802	363,837	925,079	-	7,431,718
Other receivables	295,831	-	95,372	-	391,203
Estimated amounts due from third parties	1,000,000	119,012	-	-	1,119,012
Supplies	1,333,379	5,993	43,982	-	1,383,354
Prepaid expenses and other	1,456,996	38,258	340,565	-	1,835,819
Due from affiliate	<u>7,680,725</u>	<u>-</u>	<u>-</u>	<u>(7,680,725)</u>	<u>-</u>
Total current assets	20,897,915	948,547	1,658,286	(7,680,725)	15,824,023
Assets Limited as to Use	22,562,437	-	-	-	22,562,437
Long-Term Investments	9,530,810	197,904	-	-	9,728,714
Property and Equipment, Net	37,146,674	12,964,172	397,711	-	50,508,557
Other Assets	<u>4,832,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,832,736</u>
Total assets	<u><u>\$94,970,572</u></u>	<u><u>\$14,110,623</u></u>	<u><u>\$ 2,055,997</u></u>	<u><u>\$ (7,680,725)</u></u>	<u><u>\$103,456,467</u></u>

Liabilities and Net Assets

	GMC	GRC	GHC	Eliminations	Total
Current Liabilities					
Current portion of long-term debt	\$ 652,940	\$ 1,149,888	\$ -	\$ -	\$ 1,802,828
Accounts payable	4,459,462	362,326	561,625	-	5,383,413
Accrued expenses	4,381,681	300,377	1,377,986	-	6,060,044
Estimated amounts due to third-party payers	483,553	-	-	-	483,553
Other	105,094	14,200	-	-	119,294
Due to affiliate	-	4,122,019	3,558,706	(7,680,725)	-
Total current liabilities	<u>10,082,730</u>	<u>5,948,810</u>	<u>5,498,317</u>	<u>(7,680,725)</u>	<u>13,849,132</u>
Long-Term Debt	18,109,241	7,333,321	-	-	25,442,562
Other Liabilities	4,823,925	-	-	-	4,823,925
Refundable Entrance Fees	-	2,810,518	-	-	2,810,518
Deferred Revenue from Entrance Fees	-	648,789	-	-	648,789
Deferred Annuities	367,363	76,973	-	-	444,336
Interest Rate Swap Agreement	<u>1,446,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,446,235</u>
Total liabilities	<u>34,829,494</u>	<u>16,818,411</u>	<u>5,498,317</u>	<u>(7,680,725)</u>	<u>49,465,497</u>
Net Assets					
Unrestricted	57,963,059	(2,902,616)	(3,469,235)	-	51,591,208
Temporarily restricted	594,529	194,828	26,915	-	816,272
Permanently restricted	1,583,490	-	-	-	1,583,490
Total net assets	<u>60,141,078</u>	<u>(2,707,788)</u>	<u>(3,442,320)</u>	<u>-</u>	<u>53,990,970</u>
Total liabilities and net assets	<u>\$94,970,572</u>	<u>\$14,110,623</u>	<u>\$ 2,055,997</u>	<u>\$ (7,680,725)</u>	<u>\$103,456,467</u>

Gifford Health Care, Inc.
Consolidating Schedule – Statement of Operations Information
September 30, 2018

	GMC	GRC	GHC	Eliminations	Total
Unrestricted Revenues, Gains and Other Support					
Patient service revenue (net of contractual discounts and allowances)	\$ 51,161,565	\$ 4,066,489	\$ 8,986,912	\$ -	\$ 64,214,966
Provision for doubtful accounts	<u>2,317,389</u>	<u>-</u>	<u>288,895</u>	<u>-</u>	<u>2,606,284</u>
Net patient service revenue less provision for doubtful accounts	48,844,176	4,066,489	8,698,017	-	61,608,682
Other	1,436,908	587,667	3,622,978	(470,364)	5,177,189
Net assets released from restrictions used for operations	<u>141,402</u>	<u>58,120</u>	<u>43,796</u>	<u>-</u>	<u>243,318</u>
Total unrestricted revenues, gains and other support	<u>50,422,486</u>	<u>4,712,276</u>	<u>12,364,791</u>	<u>(470,364)</u>	<u>67,029,189</u>
Expenses and Losses					
Salaries and wages	24,343,074	3,175,678	8,689,879	-	36,208,631
Employee benefits	7,158,806	904,487	1,957,895	-	10,021,188
Purchased services and professional fees	6,919,545	521,359	1,028,857	-	8,469,761
Supplies and other	10,536,757	1,940,472	1,542,143	(470,364)	13,549,008
Depreciation and amortization	3,012,489	912,279	516,153	-	4,440,921
Interest	<u>777,968</u>	<u>415,783</u>	<u>230</u>	<u>-</u>	<u>1,193,981</u>
Total expenses and losses	<u>52,748,639</u>	<u>7,870,058</u>	<u>13,735,157</u>	<u>(470,364)</u>	<u>73,883,490</u>
Operating Loss	<u>(2,326,153)</u>	<u>(3,157,782)</u>	<u>(1,370,366)</u>	<u>-</u>	<u>(6,854,301)</u>
Other Income					
Investment return	2,211,508	10,220	847	-	2,222,575
Change in fair value of interest rate swap agreement	1,061,830	-	-	-	1,061,830
Other income	<u>51,644</u>	<u>18,816</u>	<u>-</u>	<u>-</u>	<u>70,460</u>
Total other income	<u>3,324,982</u>	<u>29,036</u>	<u>847</u>	<u>-</u>	<u>3,354,865</u>
Excess (Deficiency) of Revenues Over Expenses					
	998,829	(3,128,746)	(1,369,519)	-	(3,499,436)
Net assets released for acquisition of property and equipment	275,238	118,500	-	-	393,738
Transfers (to) from affiliates	<u>(3,043,300)</u>	<u>1,673,780</u>	<u>1,369,520</u>	<u>-</u>	<u>-</u>
Decrease in Unrestricted Net Assets	<u>\$ (1,769,233)</u>	<u>\$ (1,336,466)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (3,105,698)</u>

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

For calendar year 2017 or other tax year beginning 10/01, 2017, and ending 09/30, 2018.

2017

Department of the Treasury Internal Revenue Service

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

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

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

Form header section including: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; D Employer identification number; E Unrelated business activity codes; F Group exemption number; G Check organization type.

Form section H: Describe the organization's primary unrelated business activity. ATTACHMENT 1. Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Section J: The books are in care of JEFFREY HEBERT. Telephone number 802-728-2356.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales 54,280; 1b Less returns and allowances; 2 Cost of goods sold; 3 Gross profit; 4a-4c Capital gain/loss; 5-12 Other income; 13 Total. Total income 96,371; Total net 96,371.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include: 14-28 Deductions Not Taken Elsewhere; 29 Total deductions; 30-34 Unrelated business taxable income. Total deductions 90,904; Unrelated business taxable income 0.

Part III Tax Computation

Table with 40 rows for tax computation. Rows include: 35 Organizations Taxable as Corporations, 36 Trusts Taxable at Trust Rates, 37 Proxy tax, 38 Alternative minimum tax, 39 Tax on Non-Compliant Facility Income, 40 Total.

Part IV Tax and Payments

Table with 10 rows for tax and payments. Rows include: 41 Foreign tax credit, 42 Subtract line 41e from line 40, 43 Other taxes, 44 Total tax, 45 Payments, 46 Total payments, 47 Estimated tax penalty, 48 Tax due, 49 Overpayment, 50 Enter the amount of line 49 you want.

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

Table with 3 rows for statements regarding certain activities. Rows include: 51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account... 52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?... 53 Enter the amount of tax-exempt interest received or accrued during the tax year.

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

Signature and Preparer Information section. Includes fields for Signature of officer, Date, Title, Preparer's name, Preparer's signature, Date, Firm's name, Firm's address, and PTIN.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

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

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

(see instructions)

1. Description of property

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

2. Rent received or accrued

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

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

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

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

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

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

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

Nonexempt Controlled Organizations

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

Totals ▶

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

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

Totals ▶

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

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

Totals ▶

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5)) . . . ▶

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

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

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

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

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

DAYCARE SERVICES
DISALLOWED TRANSPORTATION FRINGE BENEFITS

NAME AND FEIN OF PARENT CORPORATION

GIFFORD HEALTH CARE, INC.
46-0938716

ATTACHMENT 3

PART I - LINE 12 - OTHER INCOME

AMOUNTS PAID FOR DISALLOWED FRINGES

42,091.

PART I - LINE 12 - OTHER INCOME

42,091.

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

DOMESTIC PRODUCTION ACTIVITIES DEDUCTION UNDER SECTION 199

OFFICE EXPENSES	5,878.
OCCUPANCY EXPENSES	2,120.
FEEES FOR SERVICES	85.
INSURANCE	242.
TRAINING EXPENSES	129.
MISCELLANEOUS EXPENSES	1,122.
DUES	21.

PART II - LINE 28 - OTHER DEDUCTIONS 9,597.

GIFFORD MEDICAL CENTER, INC.
990-T Charitable Contribution Carryforward
EIN: 03-0179418

9/30/2014 Contributions	10,000
Contribution Utilized on Form 990-T:	-
Carryforward to 9/30/15	<u>10,000</u>
9/30/2015 Contributions	8,020
Contribution Utilized on Form 990-T:	-
Carryforward to 9/30/16	<u>18,020</u>
9/30/2016 Contributions	8,268
Contribution Utilized on Form 990-T:	-
Carryforward to 9/30/17	<u>26,288</u>
9/30/2017 Contributions	7,385
Contribution Utilized on Form 990-T:	-
Carryforward to 9/30/18	<u>33,673</u>
9/30/2018 Contributions	-
Contribution Utilized on Form 990-T:	-
Carryforward to 9/30/19	<u>33,673</u>

GIFFORD MEDICAL CENTER, INC.
990-T Net Operating Loss Carryforward
EIN: 03-0179418

9/30/2011 Loss Generated	(61,072)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/12	<u>(61,072)</u>
9/30/2012 Loss Generated	(62,020)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/13	<u>(123,092)</u>
9/30/2013 Loss Generated	(47,638)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/14	<u>(170,730)</u>
9/30/2014 Loss Generated	(46,267)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/15	<u>(216,997)</u>
9/30/2015 Loss Generated	(33,337)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/16	<u>(250,334)</u>
9/30/2016 Loss Generated	(42,412)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/17	<u>(292,746)</u>
9/30/2017 Loss Generated	(31,690)
Loss Utilized on Form 990-T:	-
Carryforward to 9/30/18	<u>(324,436)</u>
9/30/2018 Loss Generated	-
Loss Utilized on Form 990-T:	5,467
Carryforward to 9/30/19	<u>(318,969)</u>