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.

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[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, **20** 18

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 100 HOSPITAL DRIVE — Room/suite

City or town, state or province, country, and ZIP or foreign postal code: BENNINGTON, VT 05201

D Employer identification number: 22-2563241

E Telephone number: (802) 442-6361

G Gross receipts $ 174,789,787.

F Name and address of principal officer: THOMAS DEE
100 HOSPITAL DRIVE BENNINGTON, VT 05201

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW.SVHEALTHCARE.ORG

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

L Year of formation: 1912 **M** State of legal domicile: VT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: PROVIDING HEALTH CARE ON BOTH AN INPATIENT AND OUTPATIENT BASIS WITH FACILITIES IN AND AROUND THE BENNINGTON, VT AREA.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	21.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19.
5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	1,144.
6	Total number of volunteers (estimate if necessary)	6	98.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	55,614.

COPY FOR PUBLIC INSPECTION

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	692,315.	1,216,427.
	9	Program service revenue (Part VIII, line 2g)	162,078,122.	171,345,297.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	329,063.	630,242.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,724.	21,228.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	163,128,224.	173,213,194.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	60,350.	23,572.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	58,363,586.	61,924,228.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	97,952,878.	102,389,266.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	156,376,814.	164,337,066.
	19	Revenue less expenses. Subtract line 18 from line 12	6,751,410.	8,876,128.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	83,249,174.	81,005,430.
	21	Total liabilities (Part X, line 26)	51,604,887.	42,131,359.
	22	Net assets or fund balances. Subtract line 21 from line 20	31,644,287.	38,874,071.

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 ☐ if self-employed	PTIN
BRIAN D TODD				P00422601

Firm's name ▶ BKD, LLP — Firm's EIN ▶ 44-0160260

Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523 — Phone no. 417 865-8701

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)

JSA
7E1065 1.000

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:

TO CARE FOR AND COMFORT OUR PATIENTS, RESIDENTS, AND THEIR LOVED ONES AND TO IMPROVE THE HEALTH STATUS OF THE COMMUNITIES WE SERVE. SEE SCHEDULE O FOR ADDITIONAL DETAILS.

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**

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

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

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

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

4a (Code: _____) (Expenses $ 101,877,420. including grants of $ 23,572.) (Revenue $ 134,626,759.)

SOUTHWESTERN VERMONT MEDICAL CENTER IS A 99 BED HOSPITAL THAT PROVIDES INPATIENT AND OUTPATIENT MEDICAL SERVICES AND PHYSICIAN SERVICES IN BENNINGTON AND THE SURROUNDING AREA. IT IS VERMONT'S ONLY MAGNET HOSPITAL FOR NURSING EXCELLENCE. ITS SERVICES INCLUDE A FULLY STAFFED EMERGENCY DEPARTMENT, INCLUDING A CHEST PAIN UNIT, CANCER CENTER, A FAMILY CENTERED BIRTH PLACE, MINIMALLY INVASIVE AND OTHER SURGICAL SERVICES, A RENAL DIALYSIS UNIT, A FULL SERVICE ACCREDITED LABORATORY, PRIMARY CARE AND SPECIALIST PHYSICIANS. THERE ARE SATELLITE CAMPUSES IN DEERFIELD VALLEY, NORTHSHIRE AND POWNAL. SEE SCHEDULE O FOR ADDITIONAL INFORMATION.

4b (Code: _____) (Expenses $ 48,086,954. including grants of $ _____) (Revenue $ 36,718,538.)

THE MEDICAL PRACTICE GROUP INCLUDES: PRIMARY CARE PHYSICIANS, RHEUMATOLOGY AND IMMUNOLOGY, RADIATION ONCOLOGY, MEDICAL ONCOLOGY, PEDIATRIC PRACTICE, GENERAL SURGERY PRACTICE, GASTROENTEROLOGY, ALLERGY PRACTICE, UROLOGY PRACTICE, ORTHOPAEDICS, THREE OFF CAMPUS CLINICS, INTERNAL MEDICINE PRACTICE, INFECTIOUS DISEASE PRACTICE AND AN OB/GYN PRACTICE.

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

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

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 149,964,374.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	138		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0.		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,144		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____				
	See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

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.

[ ] Own website [ ] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶
STEPHEN MAJETICH 100 HOSPITAL DRIVE BENNINGTON, VT 05201 802-447-5011

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. X

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): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) THOMAS DEE	40.00									
CEO	4.00	X		X				546,914.	0.	172,144.
(2) RICHARD ADER	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(3) JAMES BROWN	1.00									
TRUSTEE, 2ND VICE CHAIR	2.00	X		X				0.	0.	0.
(4) CHRISTOPHER CASEY	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(5) SEAN CASEY	1.00									
TRUSTEE, SECRETARY	2.00	X		X				0.	0.	0.
(6) KATHLEEN FISHER	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(7) WAYNE GRANQUIST	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(8) TOMMY HARMON JR	1.00									
TRUSTEE, CHAIR	2.00	X		X				0.	0.	0.
(9) CONNIE JASTREMSKI	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(10) STEPHEN KELLY	1.00									
TRUSTEE BEG 10/17	2.00	X						0.	0.	0.
(11) MARNY KRAUSE	1.00									
TRUSTEE	3.00	X						0.	0.	0.
(12) SUE MAGUIRE	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(13) DAVID MEISELMAN	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(14) BRUCE MULLEN	1.00									
TRUSTEE, 1ST VICE CHAIR	2.00	X		X				0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(15) CLAIRE MURRAY	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(16) CHARLES SALEM	1.00									
TRUSTEE BEG 03/18	2.00	X						0.	0.	0.
(17) ERIC SEYFERTH MD	1.00									
TRUSTEE, CHAIR OF UHA	2.00	X						29,660.	0.	1,186.
(18) LARA SHORE-SHEPPARD	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(19) ANN MARIE SWAN	1.00									
PR. MED STAFF,TRUSTEE END 6/18	2.00	X						0.	0.	0.
(20) THEMARGE SMALL	1.00									
TRUSTEE BEG 6/18	2.00	X						0.	0.	0.
(21) STANLEY STROUP	1.00									
TRUSTEE	2.00	X						0.	0.	0.
(22) BRIAN G. O'GRADY	1.00									
TRUSTEE BEG 12/17	2.00	X						0.	0.	0.
(23) CAROL CONROY	40.00									
CNO	0.			X				380,802.	0.	21,166.
(24) STEPHEN MAJETICH	40.00									
CFO	5.00			X				386,099.	0.	47,044.
(25) RICHARD OGILVIE	40.00									
VP CIO	0.			X				220,992.	0.	36,007.
1b Sub-total ▶								546,914.	0.	172,144.
c Total from continuation sheets to Part VII, Section A ▶								2,239,344.	0.	249,998.
d Total (add lines 1b and 1c) ▶								2,786,258.	0.	422,142.

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 ▶ 60

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
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 ▶ 18

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): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(26) KEVIN DAILEY	40.00									
VP HR	0.			X				257,493.	0.	27,827.
(27) ANGELINE MARANO	40.00									
TRUSTEE END / VP MPD BEG 10/17	0.			X				63,949.	0.	1,996.
(28) CARL DOBSON	40.00									
CMO	4.00			X				0.	0.	0.
(29) BILLIE ALLARD	40.00									
ADMINISTRATIVE DIR OF NURSING	0.					X		184,935.	0.	12,895.
(30) SHEILA BONI	40.00									
ASSOCIATE CNO	0.					X		184,763.	0.	35,476.
(31) ANTONIETTA MAZZARIELLO	40.00									
DIRECTOR OF REVENUE CYCLE	0.					X		184,735.	0.	11,294.
(32) JAMES ROY	40.00									
CONTROLLER	0.					X		179,862.	0.	33,147.
(33) DREW LERMAN	40.00									
MPD FINANCE DEPART DIRECTOR	0.					X		166,054.	0.	21,960.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶ 60

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

Section B. Independent Contractors

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

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

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				
	d	Related organizations	1d	698,048.			
	e	Government grants (contributions)	1e	459,852.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	58,527.			
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a-1f ▶		1,216,427.			
Program Service Revenue			**Business Code**				
	2a	NET PATIENT SERVICE REVENUE	621990	161,603,261.	161,603,261.		
	b	CAFETERIA INCOME	722514	526,665.	526,665.		
	c	EHR REVENUE	621990	187,029.	187,029.		
	d	PHARMACY	446110	2,471,417.	2,471,417.		
	e	FIXED PROSPECTIVE REVENUE	621990	5,254,620.	5,254,620.		
	f	All other program service revenue		1,302,305.	1,302,305.		
	g	**Total.** Add lines 2a-2f ▶		171,345,297.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		455,304.			455,304.
	4	Income from investment of tax-exempt bond proceeds ▶		0.			
	5	Royalties ▶		0.			
			(i) Real / (ii) Personal				
	6a	Gross rents	21,228. /				
	b	Less: rental expenses	/				
	c	Rental income or (loss)	21,228. /				
	d	Net rental income or (loss) ▶		21,228.			21,228.
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,750,118. / 1,413.				
	b	Less: cost or other basis and sales expenses	1,576,343. / 250.				
	c	Gain or (loss)	173,775. / 1,163.				
	d	Net gain or (loss) ▶		174,938.			174,938.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events ▶		0.			
	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. ▶		173,213,194.	171,345,297.		651,470.

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	23,572.	23,572.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
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	2,188,369.	1,041,078.	1,147,291.	
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	47,180,824.	41,737,693.	5,443,131.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	938,059.	938,059.		
9 Other employee benefits	8,124,762.	7,107,284.	1,017,478.	
10 Payroll taxes	3,492,214.	3,038,710.	453,504.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	157,901.		157,901.	
c Accounting	170,746.		170,746.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	34,300.		34,300.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 2	42,780,690.	40,375,764.	2,404,926.	
12 Advertising and promotion	403,905.	362,147.	41,758.	
13 Office expenses	4,328,619.	3,897,943.	430,676.	
14 Information technology	2,934,015.	2,558,976.	375,039.	
15 Royalties	0.			
16 Occupancy	4,316,768.	3,781,189.	535,579.	
17 Travel	269,371.	211,798.	57,573.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	322,564.	104,598.	217,966.	
20 Interest	524,901.	481,943.	42,958.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	6,156,990.	5,653,098.	503,892.	
23 Insurance	544,067.	501,320.	42,747.	
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	22,844,494.	22,844,494.		
b PROVIDER TAX	9,261,317.	9,261,317.		
c BAD DEBT	5,745,980.	5,745,980.		
d LICENSES, DUES, SUBSCRIPTION	1,554,756.	295,657.	1,259,099.	
e All other expenses	37,882.	1,754.	36,128.	
25 **Total functional expenses.** Add lines 1 through 24e	164,337,066.	149,964,374.	14,372,692.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	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	246,003.	1	254,870.
	2	Savings and temporary cash investments	10,661,212.	2	9,004,955.
	3	Pledges and grants receivable, net	0.	3	0.
	4	Accounts receivable, net	13,977,305.	4	14,607,010.
	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	2,831,786.	8	3,218,225.
	9	Prepaid expenses and deferred charges	1,288,357.	9	1,387,186.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 146,249,015.			
	b	Less: accumulated depreciation — 10b 106,881,742.	39,864,037.	10c	39,367,273.
	11	Investments - publicly traded securities	6,606,342.	11	6,614,364.
	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	0.	14	0.
	15	Other assets. See Part IV, line 11	7,774,132.	15	6,551,547.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	83,249,174.	16	81,005,430.
Liabilities	17	Accounts payable and accrued expenses	22,644,491.	17	19,934,976.
	18	Grants payable	0.	18	0.
	19	Deferred revenue	18,684.	19	18,684.
	20	Tax-exempt bond liabilities	7,418,513.	20	7,198,346.
	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	3,035,887.	23	2,798,266.
	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	18,487,312.	25	12,181,087.
	26	**Total liabilities.** Add lines 17 through 25	51,604,887.	26	42,131,359.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	31,644,287.	27	38,874,071.
	28	Temporarily restricted net assets	0.	28	0.
	29	Permanently restricted net assets	0.	29	0.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	31,644,287.	33	38,874,071.
	34	Total liabilities and net assets/fund balances	83,249,174.	34	81,005,430.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	173,213,194.
2	Total expenses (must equal Part IX, column (A), line 25)	2	164,337,066.
3	Revenue less expenses. Subtract line 2 from line 1	3	8,876,128.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	31,644,287.
5	Net unrealized gains (losses) on investments	5	-199,443.
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	-1,446,901.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	38,874,071.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

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

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

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

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

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

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests - 2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

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

Part IV **Supporting Organizations**

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

Section A. All Supporting Organizations

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

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

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2017

Name of the organization	**Employer identification number**
SOUTHWESTERN VERMONT MEDICAL CENTER	22-2563241

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 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

[X] 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 SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number 22-2563241

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		$ 19,835.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2		$ 459,852.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3		$ 698,048.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number 22-2563241

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 SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number 22-2563241

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)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to *www.irs.gov/Form990* for instructions and the latest information.**

OMB No. 1545-0047

2017

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
SOUTHWESTERN VERMONT MEDICAL CENTER	22-2563241

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

JSA
7E1264 1.000

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

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

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

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

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

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

4-Year Averaging Period Under section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	**(a)** 2014	**(b)** 2015	**(c)** 2016	**(d)** 2017	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		25,722.
j Total. Add lines 1c through 1i			25,722.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

SEE PAGE 4

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

SCHEDULE C, PART II-B, LINE 1(I)

OTHER LOBBYING ACTIVITIES:

SOUTHWESTERN VERMONT MEDICAL CENTER 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 ARE AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF SOUTHWESTERN VERMONT MEDICAL CENTER AND THE OTHER MEMBER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSE.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

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

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

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

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

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

Part II Conservation Easements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	11,387,116.	11,070,205.	11,065,382.	11,135,162.	241,457.
b Contributions	120,000.	101,833.		11,827.	11,064,479.
c Net investment earnings, gains, and losses	92,590.	224,092.	53,364.	8,086.	44,275.
d Grants or scholarships					
e Other expenditures for facilities and programs	85,617.	9,014.	48,541.	89,693.	215,049.
f Administrative expenses					
g End of year balance	11,514,089.	11,387,116.	11,070,205.	11,065,382.	11,135,162.

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

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ 99.3100 %

c Temporarily restricted endowment ▶ .6900 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,000.		5,000.
b Buildings		45,711,726.	28,074,156.	17,637,570.
c Leasehold improvements				
d Equipment		95,921,114.	75,830,025.	20,091,089.
e Other		4,611,175.	2,977,561.	1,633,614.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				39,367,273.

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) DUE FROM AFFILIATES	5,846,288.
(2) OTHER RECEIVABLES	705,259.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	6,551,547.

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) ASSET RETIREMENT OBLIGATION	1,190,238.
(3) EST AMT DUE TO THIRD PTY PYRS	1,351,414.
(4) INTEREST RATE SWAP	767,691.
(5) PENSION BENEFIT OBLIGATION	7,067,782.
(6) ESTIMATED SELF-INS COSTS	916,418.
(7) OTHER LIABILITIES	887,544.
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	12,181,087.

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.

1	Total revenue, gains, and other support per audited financial statements			1	168,254,982.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a	-199,443.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	-4,758,769.		
e	Add lines **2a** through **2d**			2e	-4,958,212.
3	Subtract line **2e** from line **1**			3	173,213,194.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	173,213,194.

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

1	Total expenses and losses per audited financial statements			1	158,556,786.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	158,556,786.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	34,300.		
b	Other (Describe in Part XIII.)	4b	5,745,980.		
c	Add lines **4a** and **4b**			4c	5,780,280.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	164,337,066.

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

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS:

THE ENDOWMENTS ARE HELD THROUGH SOUTHWESTERN VERMONT HEALTHCARE FOUNDATION, A RELATED ORGANIZATION, AND ARE INVESTED TO PROVIDE INVESTMENT RETURNS TO FUND GENERAL OPERATIONS AND SPECIFIC DONOR RESTRICTED PURPOSES.

SCHEDULE D, PART X, LINE 2

UNCERTAIN TAX POSITIONS:

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.

SCHEDULE D, PART XI, LINE 2D

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

$ (5,745,980)	BAD DEBT EXPENSE
(34,300)	INVESTMENT MANAGEMENT FEES
470,717	CHANGE IN FAIR VALUE OF INTEREST RATE SWAP
550,794	TRANSFERS FROM AFFILIATES

$ (4,758,769)	

SCHEDULE D, PART XII, LINE 4B

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

$ 5,745,980	BAD DEBT EXPENSE

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," was it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 225.0000 %	3a	X	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other _____ %	3b	X	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Did the organization prepare a community benefit report during the tax year?	6a	X	
b	If "Yes," did the organization make it available to the public?	6b	X	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			921,497.		921,497.	.58
b Medicaid (from Worksheet 3, column a)			34,503,144.	18,672,025.	15,831,119.	9.98
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			35,424,641.	18,672,025.	16,752,616.	10.56
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,603,750.	39,248.	1,564,502.	.99
f Health professions education (from Worksheet 5)			504,227.	404,417.	99,810.	.06
g Subsidized health services (from Worksheet 6)			7,302,065.	5,120,873.	2,181,192.	1.37
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			23,572.		23,572.	.01
j **Total.** Other Benefits			9,433,614.	5,564,538.	3,869,076.	2.43
k **Total.** Add lines 7d and 7j			44,858,255.	24,236,563.	20,621,692.	12.99

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

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

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

Section A. Bad Debt Expense

			Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	5,745,980.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	1,051,514.		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.				

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	41,481,507.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	51,609,762.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-10,128,255.

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

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
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)	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
1 SOUTHWESTERN VERMONT MEDICAL CENTER 100 HOSPITAL DRIVE BENNINGTON VT 05201 SVHEALTHCARE.ORG 837	X	X			X		X		SOLE COMMUNITY HOSPITAL	
2										
3										
4										
5										
6										
7										
8										
9										
10										

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 SOUTHWESTERN VERMONT MEDICAL CENTER

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

			Yes	No
	Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		X
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		X
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The significant health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[X] The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j	[ ] Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA: 20 17			
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		X
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b		X
7	Did the hospital facility make its CHNA report widely available to the public?	7	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[X] Hospital facility's website (list url): SEE PART V, SECTION C			
b	[ ] Other website (list url):			
c	[X] Made a paper copy available for public inspection without charge at the hospital facility			
d	[ ] Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X	
9	Indicate the tax year the hospital facility last adopted an implementation strategy: 2017			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a	If "Yes," (list url): SEE PART V, SECTION C			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.			
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a		X
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group SOUTHWESTERN VERMONT MEDICAL CENTER

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	X	
	If "Yes," indicate the eligibility criteria explained in the FAP:			
a	[X] Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 225.0000 % and FPG family income limit for eligibility for discounted care of 400.0000 %			
b	[ ] Income level other than FPG (describe in Section C)			
c	[X] Asset level			
d	[X] Medical indigency			
e	[ ] Insurance status			
f	[X] Underinsurance status			
g	[X] Residency			
h	[ ] Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	X	
15	Explained the method for applying for financial assistance?	15	X	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	[X] Described the information the hospital facility may require an individual to provide as part of his or her application			
b	[X] Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	[X] Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	[X] Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	[ ] Other (describe in Section C)			
16	Was widely publicized within the community served by the hospital facility?	16	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[X] The FAP was widely available on a website (list url): SEE PART V, SECTION C			
b	[X] The FAP application form was widely available on a website (list url): SEE PART V, SECTION C			
c	[X] A plain language summary of the FAP was widely available on a website (list url): SEE PART V, SECTION C			
d	[X] The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	[X] The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	[X] A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	[X] Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h	[X] Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	[ ] The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j	[ ] Other (describe in Section C)			

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group SOUTHWESTERN VERMONT MEDICAL CENTER

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

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

- a [X] 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 [X] Made a reasonable effort to orally notify individuals about the FAP and FAP application process
- c [X] Processed incomplete and complete FAP applications
- d [X] Made presumptive eligibility determinations
- e [ ] Other (describe in Section C)
- f [ ] None of these efforts were made

Policy Relating to Emergency Medical Care

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

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

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

Name of hospital facility or letter of facility reporting group SOUTHWESTERN VERMONT MEDICAL CENTER

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

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

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

SCHEDULE H, PART V, SECTION B, LINE 5

COMMUNITY INPUT:

SIX SEPARATE, IN-DEPTH FOCUS GROUPS WERE CONDUCTED INVOLVING OVER 90 COMMUNITY MEMBERS AND LEADERS FROM MULTIPLE SECTORS IN VERMONT, NEW YORK, AND MASSACHUSETTS COMMUNITIES. THESE FOCUS GROUPS CONSISTED OF MEMBERS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY SVHC. MEMBERS INCLUDED STATE AND LOCAL PUBLIC HEALTH DEPARTMENTS, A WIDE VARIETY OF COMMUNITY LEADERS, AND REPRESENTATIVES OF THE MEDICALLY UNDERSERVED, LOW-INCOME AND MINORITY POPULATIONS. FOCUS GROUP DISCUSSIONS DID NOT EXCLUDE ANY POPULATIONS WITH HEALTH DISPARITIES OR GROUPS AT RISK OF NOT RECEIVING ADEQUATE MEDICAL CARE BECAUSE OF BEING UNINSURED OR UNDERINSURED OR DUE TO GEOGRAPHIC, LANGUAGE, FINANCIAL OR OTHER BARRIERS.

THE FOCUS GROUPS IDENTIFIED THE HEALTH NEEDS IN THE FOLLOWING DEMOGRAPHIC SEGMENTS:

-POPULATION DEMOGRAPHICS

-PRE-K AND PARENTS

-CHILDREN AND YOUTH (AGES 6-12)

-TEENS AND YOUNG ADULT (AGES 13-20)

-ADULTS (AGES 21-34)

-MATURE ADULTS (AGES 35-64)

-SENIORS (AGE >65)

TO REDUCE THE LIST OF IDENTIFIED HEALTH NEEDS, SIMILAR HEALTH NEEDS IN

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.

EACH SEGMENT WERE GROUPED AND SIMILAR HEALTH NEEDS IN SEPARATE AGE

SEGMENTS WERE COMBINED. FOCUS GROUPS REVIEWED QUANTITATIVE DATA TO

FURTHER DEEPEN THEIR PERSPECTIVE OF THE HEALTH NEEDS OF THE COMMUNITY.

AFTER CATALOGUING PREVALENT HEALTH NEEDS AND REVIEWING QUANTITATIVE AND

QUALITATIVE DATA, FOCUS GROUPS USED A STRUCTURED VOTING SYSTEM TO

PRIORITIZE THE FINAL LIST OF THE MOST PRESSING COMMUNITY HEALTH NEEDS.

FOCUS GROUPS ALSO DEVELOPED INITIAL RECOMMENDATIONS FOR THE

IMPLEMENTATION PLAN TO ADDRESS THE MOST PRESSING HEALTH NEEDS IDENTIFIED.

SCHEDULE H, PART V, SECTION B, LINE 7A

CHNA WEBSITE:

HTTPS://SVHEALTHCARE.ORG/~/MEDIA/FILES/DEPARTMENTS/PLANNING-COMPLIANCE/CHN

A-2018-9-28.PDF?LA=EN

SCHEDULE H, PART V, SECTION B, LINE 10A

IMPLEMENTATION STRATEGY WEBSITE:

HTTPS://SVHEALTHCARE.ORG/~/MEDIA/FILES/DEPARTMENTS/PLANNING-COMPLIANCE/CHN

A-2018-9-28.PDF?LA=EN

SCHEDULE H, PART V, LINE 11

IMPLEMENTATION STRATEGY/ADDRESSING IDENTIFIED NEEDS:

THE MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS COMPLETED

AND APPROVED BY SOUTHWESTERN VERMONT HEALTH CARE'S (SVHC) BOARD OF

TRUSTEES IN JUNE, 2018. THE PRIORITY HEALTH NEEDS IDENTIFIED FOR SVHC'S

SERVICE REGION ARE:

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.

1) ACCESS TO CARE

-IMPROVE PRIMARY CARE AND URGENT CARE ACCESS

-INCREASE ACCESS TO BEHAVIORAL HEALTH SERVICES

2) OBESITY AND HEALTHY ACTIVITIES

- ENHANCE HEALTH AND WELLNESS PROGRAMS

- FOSTER LINKS BETWEEN GOOD HEALTH, NUTRITION, EXERCISE, AND EDUCATION AND ECONOMIC DEVELOPMENT

3) BEHAVIORAL HEALTH AND SUBSTANCE ABUSE

-EXPAND SUBSTANCE ABUSE PREVENTION AND TREATMENT OPTIONS

-DEVELOP YOUTH STRESS MANAGEMENT AND COPING PROGRAMS

IN 2018, A WIDE ARRAY OF PROGRAMS ADDRESSING THE SOCIAL DETERMINANT OF HEALTH HAVE BEEN IMPLEMENTED TO ADDRESS THE ROOT CAUSES OF THESE NEEDS;

ACCESS TO CARE- FINANCIAL SUPPORT FOR THE BENNINGTON FREE CLINIC, DEVELOPMENT OF A DENTAL CLINIC WHICH OPENED JANUARY 2018, ENHANCEMENT OF HOSPICE AND PALLIATIVE CARE OFFERINGS.

COMMUNITY BUILDING AND ECONOMIC DEVELOPMENT- SUPPORT FOR 3 AMERICORP VISTA FELLOWS FOCUSED ON ADDRESSING POVERTY, COLLABORATION WITH LOCAL SCHOOLS TO ENHANCE PROGRAMMING PARTICULARLY READING LITERACY, PURCHASE AND REHABILITATION OF DISTRESSED AND ABANDONED HOME THROUGH THE HEALTHY HOMES PROGRAM

HEALTH AND WELLNESS PROGRAMS - EXPAND HEALTH CARE SHARE WHICH DELIVERS

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.

HEALTHY FOOD AND NUTRITION EDUCATION TO CARDIAC AND PULMONARY PATIENTS, LAUNCH OF BENNINGTON'S RISEVT CHAPTER WHICH ENGAGES COMMUNITY MEMBERS TO ADDRESS OBESITY, GRANT WRITING TO OBTAIN FUNDS TO REVITALIZE A DOWNTOWN PARK, SPONSORSHIP TO MANY COMMUNITY EVENTS SUCH AS WELLNESS FAIRS, CANCER SCREENING EVENTS AND COMMUNITY BUILDING EVENTS.

MENTAL AND BEHAVIORAL HEALTH AND ADDICTION- INVOLVEMENT IN THE SUBSTANCE ABUSE TREATMENT COLLABORATION AND ALLIANCE FOR COMMUNITY TRANSFORMATION PROGRAMS DIRECTED AT OPIOID ADDICTION TREATMENT AND BUILDING NEIGHBORHOOD RESILIENCE, LAUNCH OF MESSAGES FOR ME, A TEXT MESSAGE PLATFORM FOR INDIVIDUALS IN RECOVERY, AFTER SCHOOL PROGRAMMING FOR VULNERABLE YOUTH TO BROADEN OPPORTUNITIES AND BUILD A SENSE OF SELF-WORTH

EACH OF THE INITIATIVES IS MULTIDIMENSIONAL AND SUPPORTS MULTIPLE PRIORITY HEALTH NEEDS. FOR EXAMPLE, THE SUPPORT FOR THE BENNINGTON FREE CLINIC INCREASES ACCESS TO QUALITY PRIMARY CARE. HOWEVER, BECAUSE A DISPROPORTIONATE PERCENTAGE OF THE PATIENTS SERVED ALSO STRUGGLE WITH BEHAVIORAL HEALTH ISSUES AND SUBSTANCE ABUSE, SUPPORT FOR THE BENNINGTON FREE CLINIC ALSO ADDRESSES THE PRIORITY HEALTH NEEDS OF BEHAVIORAL HEALTH AND ADDICTION SERVICES. SIMILARLY, THE LAUNCH OF BENNINGTON'S RISEVT ENCOURAGES EXERCISE TO REDUCE OBESITY AND IMPROVES MENTAL RESILIENCE THROUGH STRESS MANAGEMENT AND BUILDING SOCIAL RELATIONSHIPS.

SVHC CANNOT ADDRESS THESE PRIORITY HEALTH NEEDS AND IMPROVE COMMUNITY HEALTH ALONE. CONTINUING TO FOSTER COLLABORATION WITH LOCAL ORGANIZATIONS

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.

AND ENGAGEMENT WITH MUNICIPALITIES AND COMMUNITY LEADERS IS KEY TO ACHIEVING SUCCESS. THE HEALTH OF THE COMMUNITIES SERVED BY SVHC WILL IMPROVE AS WE DEPLOY THE MULTI-YEAR IMPLEMENTATION PLAN THAT INCLUDES BOTH PROGRAMMATIC AND POLICY INITIATIVES.

IN 2018, SVMC INVESTED $20.6 MILLION IN COMMUNITY BENEFIT ACROSS A WIDE ARRAY OF SERVICES, PROGRAMS AND INITIATIVES. SVMC PROVIDED $921,497 IN CHARITY CARE AND $15.8 MILLION IN UNREIMBURSED MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS. SVMC PROVIDED $2.2 MILLION IN SUBSIDIZED HEALTHCARE AND $210,420 IN PROVIDER RECRUITMENT TO ADDRESS ISSUES WITH HEALTHCARE ACCESS. SVMC ALSO INVESTED $1,012,320 IN COMMUNITY HEALTH IMPROVEMENT SERVICES INCLUDING DIABETES EDUCATION, CHILD BIRTH CLASSES AND TRANSITIONAL CARE NURSING. THERE PROGRAMS WERE BALANCED BY EFFORTS TO ADDRESS THE SOCIAL DETERMINANTS OF HEALTH INCLUDING $286,006 TOWARDS ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION AND $19,376 TOWARDS SOCIETIES AND PROGRAMS THAT RANGE FROM THE SUPPORT OF THE BENNINGTON FREE CLINIC TO BENNINGTON'S GARLIC FESTIVAL WHICH INFUSES OVER $1 MILLION IN TOURIST SPENDING INTO THE COMMUNITY.

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

FAP, FAP APPLICATION, AND PLS WEBSITE:

HTTP://SVHEALTHCARE.ORG/PATIENTS-VISITORS/BILLING-INSURANCE/

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 16I

LEP TRANSLATIONS:

THERE ARE NO GROUPS WITH LIMITED ENGLISH PROFICIENCY THAT RISE TO THE

THRESHOLD REQUIRED UNDER IRC SECTION 501(R).

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? 3

	Name and address	Type of Facility (describe)
1	NORTHSHIRE CAMPUS 5957 MAIN STREET, ROUTE 7A NORTH MANCHESTER CENTER VT 05255	PRIMARY CARE, LABORATORY
2	DEERFIELD VALLEY CAMPUS 30 ROUTE 100 SOUTH WILMINGTON VT 05363	SAME-DAY CARE, LABORATORY
3	POWNAL FAMILY PRACTICE 7237 ROUTE 7 POWNAL VT 05262	PRIMARY CARE, LABORATORY
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

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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 7G

SUBSIDIZED SERVICES:

THE ORGANIZATION HAS INCLUDED COSTS ASSOCIATED WITH RURAL HEALTH

CENTERS(RHC) IN THE CALCULATION OF SUBSIDIZED SERVICES ON LINE 7G.

SOUTHWESTERN VERMONT MEDICAL CENTER PROVIDES PRIMARY CARE SERVICES TO THE

SURROUNDING COMMUNITIES AT THE CENTERS. THESE SERVICES ARE PROVIDED IN

RURAL AREAS WHERE THERE WOULD BE A SHORTAGE OF QUALITY MEDICAL CARE

WITHOUT THE SERVICES AND THE ORGANIZATION CONTINUES TO PROVIDE THESE

SERVICES AS A BENEFIT TO THE COMMUNITY DESPITE KNOWING THAT FINANCIAL

SHORTFALLS WILL BE SUSTAINED.

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 WORKSHEETS 1, 3 AND 6.

Part VI Supplemental Information

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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 $5,745,980.

SCHEDULE H, PART III, SECTION A, LINE 2

BAD DEBT EXPENSE:

LINE 2 WAS CALCULATED USING THE BAD DEBT EXPENSE PER THE AUDITED

FINANCIAL STATEMENTS.

SCHEDULE H, PART III, SECTION A, LINE 3

BAD DEBT EXPENSE ATTRIBUTABLE TO CHARITY CARE:

THE ORGANIZATION HAS ESTIMATED THE AMOUNT OF BAD DEBT EXPENSE

ATTRIBUTABLE TO PATIENTS UNDER THE ORGANIZATION'S CHARITY CARE POLICY FOR

LINE 3 BASED ON CENSUS DATA SHOWING 18.3% OF THE POPULATION IN ITS

SERVICE AREA FALLING BELOW THE FEDERAL POVERTY GUIDELINES.

Part VI Supplemental Information

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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. THAT FOOTNOTE READS AS FOLLOWS:

ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE CORPORATION 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 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, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR UNCOLLECTIBLE ACCOUNTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE

Part VI Supplemental Information

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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.

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), THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR UNCOLLECTIBLE 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) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

Part VI Supplemental Information

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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:

ALL PATIENTS OF THE HOSPITAL HAVE THE ULTIMATE RESPONSIBILITY FOR PAYMENT OF THEIR MEDICAL BILLS; HOWEVER, THE ORGANIZATION RECOGNIZES THAT THERE WILL BE INSTANCES WHERE THE PATIENT WILL BE UNABLE TO MEET THIS OBLIGATION. ALL APPLICATIONS FOR FREE CARE MUST BE MADE TO THE COLLECTION COORDINATOR OR FINANCIAL COUNSELOR, WHO WILL REVIEW THE INFORMATION AND DETERMINE ELIGIBILITY. THE HOSPITAL WILL MAKE EVERY EFFORT TO ASSIST PATIENTS AND THEIR FAMILIES IN ARRANGING FOR THE SETTLEMENT OF THEIR MEDICAL FINANCIAL OBLIGATIONS.

Part VI Supplemental Information

Provide the following information.

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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:

AS A NON-PROFIT, SOUTHWESTERN VERMONT MEDICAL CENTER (SVMC) STRIVES TO CREATE MEANINGFUL PUBLIC PARTICIPATION IN OUR STRATEGIC PLANNING, DECISION-MAKING AND IDENTIFICATION OF COMMUNITY NEEDS THROUGH A NUMBER OF CHANNELS EACH OF THESE CHANNELS OFFERS OUR HOSPITAL AND HEALTH SYSTEM THE OPPORTUNITY TO HEAR A VARIETY OF VOICES FROM OUR COMMUNITIES. IN GENERAL, WE IDENTIFY COMMUNITY NEEDS IN SEVERAL WAYS:

1. THROUGH LISTENING TO THE COMMUNITY INPUT THROUGH OUR BOARD OF TRUSTEES, OUR MEDICAL STAFF, AND OUR CONNECTIONS WITH OUTSIDE COMMUNITY GROUPS.

2. THROUGH OUR MEDICAL STAFF DEVELOPMENT PLAN, WHICH COMPARES THE CURRENT STAFFING AT SVMC WITH POPULATION BASED STAFFING MODELS TO IDENTIFY AREAS OF SHORTAGE OR EXCESS PHYSICIAN SUPPLY.

AS NEEDS ARE IDENTIFIED THEY ARE INCLUDED IN OUR PROCESS FOR CREATING THE HEALTH SYSTEM'S STRATEGIC PLAN. THE STRATEGIC PLAN PRIORITIZES NEEDS FOR OUR COMMUNITY BOTH FROM A SERVICE AND INFRASTRUCTURE PERSPECTIVE. THE

Part VI Supplemental Information

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PLAN PROVIDES THE HEALTH SYSTEM WITH A FRAMEWORK FOR ACHIEVING GOALS.

SIX SEPARATE, IN-DEPTH FOCUS GROUPS WERE CONDUCTED INVOLVING OVER 90 COMMUNITY MEMBERS AND LEADERS FROM MULTIPLE SECTORS IN VERMONT, NEW YORK, AND MASSACHUSETTS COMMUNITIES. THESE FOCUS GROUPS CONSISTED OF MEMBERS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY SVHC. MEMBERS INCLUDED STATE AND LOCAL PUBLIC HEALTH DEPARTMENTS, A WIDE VARIETY OF COMMUNITY LEADERS, AND REPRESENTATIVES OF THE MEDICALLY UNDERSERVED, LOW-INCOME AND MINORITY POPULATIONS. FOCUS GROUP DISCUSSIONS DID NOT EXCLUDE ANY POPULATIONS WITH HEALTH DISPARITIES OR GROUPS AT RISK OF NOT RECEIVING ADEQUATE MEDICAL CARE BECAUSE OF BEING UNINSURED OR UNDERINSURED OR DUE TO GEOGRAPHIC, LANGUAGE, FINANCIAL OR OTHER BARRIERS.

THE FOCUS GROUPS IDENTIFIED THE HEALTH NEEDS IN THE FOLLOWING DEMOGRAPHIC SEGMENTS:

-POPULATION DEMOGRAPHICS

-PRE-K AND PARENTS

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-CHILDREN AND YOUTH (AGES 6-12)

-TEENS AND YOUNG ADULT (AGES 13-20)

-ADULTS (AGES 21-34)

-MATURE ADULTS (AGES 35-64)

-SENIORS (AGE >65)

TO REDUCE THE LIST OF IDENTIFIED HEALTH NEEDS, SIMILAR HEALTH NEEDS IN EACH SEGMENT WERE GROUPED AND SIMILAR HEALTH NEEDS IN SEPARATE AGE SEGMENTS WERE COMBINED. FOCUS GROUPS REVIEWED QUANTITATIVE DATA TO FURTHER DEEPEN THEIR PERSPECTIVE OF THE HEALTH NEEDS OF THE COMMUNITY. AFTER CATALOGUING PREVALENT HEALTH NEEDS AND REVIEWING QUANTITATIVE AND QUALITATIVE DATA, FOCUS GROUPS USED A STRUCTURED VOTING SYSTEM TO PRIORITIZE THE FINAL LIST OF THE MOST PRESSING COMMUNITY HEALTH NEEDS. FOCUS GROUPS ALSO DEVELOPED INITIAL RECOMMENDATIONS FOR THE IMPLEMENTATION PLAN TO ADDRESS THE MOST PRESSING HEALTH NEEDS IDENTIFIED.

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SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

SVMC COUNSELS PATIENTS WHO HAVE NO INSURANCE ABOUT FEDERAL AND STATE PROGRAMS AND CHARITY CARE. AS PATIENTS ARE ADMITTED TO OUR FACILITY EITHER FOR OUTPATIENT OR INPATIENT CARE, OUR ADMITTING PERSONNEL WATCH FOR PATIENTS WHO HAVE NO INSURANCE. WHEN WE IDENTIFY PATIENTS WITH NO INSURANCE, WE OFFER THEM THE OPPORTUNITY TO SPEAK WITH A FINANCIAL COUNSELOR WHO CAN HELP THEM FILE THE NECESSARY PAPERWORK TO QUALITY FOR ANY OF THE VARIED GOVERNMENT INSURANCE PROGRAMS AS WELL AS CHARITY CARE. WE MAKE EVERY EFFORT TO WORK WITH PATIENTS WHILE THEY ARE AT OUR FACILITIES. HOWEVER, WE ALSO FOLLOW UP AFTER A PATIENT VISITS OUR FACILITY TO SEE IF THE PATIENT HAS ANY ADDITIONAL QUESTIONS OR NEEDS FURTHER ASSISTANCE. WE HAVE A FULL-TIME COUNSELOR WHO REGULARLY MEETS WITH ANY PATIENTS WHO LACK INSURANCE OR MAY HAVE DIFFICULTY PAYING TO HELP THEM UNDERSTAND THEIR OPTIONS FOR PAYING FOR CARE AS WELL AS COMPLETE ANY PAPERWORK THEY NEED TO QUALIFY FOR INSURANCE OR CHARITY CARE. OUR SOCIAL SERVICES DEPARTMENT ALSO PERFORMS THESE TASKS.

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SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

SERVICE AREA: SOUTHWESTERN VERMONT MEDICAL CENTER (SVMC) IS THE ONLY HOSPITAL IN ITS SERVICE AREA. THE SERVICE AREA IS CENTERED ON BENNINGTON, VT., AND STRETCHES ABOUT 25 MILES TO THE EAST TO THE COMMUNITIES OF WILMINGTON, VT., AND THE DEERFIELD VALLEY. IT STRETCHES 30 MILES TO THE NORTH TO ENCOMPASS THE COMMUNITIES OF MANCHESTER AND DORSET, VT., AND OTHER SMALLER COMMUNITIES ON THE EDGE OF BENNINGTON COUNTY AND THE SOUTHERN PORTIONS OF RUTLAND COUNTY. TO THE WEST, IT STRETCHES 15-20 MILES INTO EASTERN N.Y. AND INCLUDES HOOSICK, HOOSICK FALLS, EAGLE BRIDGE, WHITE CREEK, BERLIN, PETERSBURGH AND CAMBRIDGE. LASTLY, TO THE SOUTH IT STRETCHES TO THE VERMONT BORDER WITH MASSACHUSETTS AND SERVES SOME MASSACHUSETTS RESIDENTS.

DEMOGRAPHICS: THE SVMC SERVICE AREA'S POPULATION GROWTH DECLINED FROM 2000 TO 2010. THE CURRENT POPULATION OF SVMC'S PRIMARY SERVICE AREA IS 51,611. ACROSS OUR FULL SERVICE AREA, INCLUDING FRINGE MARKETS, THE POPULATION IS JUST UNDER 120,000. THE AVERAGE AGE OF RESIDENTS HAS ALSO

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INCREASED WITH 18% BEING 65 OR OLDER. THE POPULATION SVMC SERVES IS

CONSIDERABLY OLDER THAN THAT IN THE REST OF VERMONT OR THE NATION.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

AS A HEALTH CARE ORGANIZATION, SOUTHWESTERN VERMONT HEALTH CARE (SVMC)

FOCUSES ON COMMUNITY BUILDING ACTIVITIES AND HEALTH EDUCATIONAL EVENTS

THAT ARE GEARED TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE,

INCLUDING IMPROVING ACCESS TO HEALTH CARE AND ADDRESSING THE SOCIAL

DETERMINANTS OF HEALTH.

ACCESS TO MEDICAL CARE:

ENSURING THAT OUR COMMUNITY HAS ACCESS TO HIGH QUALITY PRIMARY AND

SPECIALTY CARE IS IMPORTANT TO SVMC. SVMC ACCOMPLISHES THIS GOAL IN THREE

KEY WAYS: (1) PROVIDING OVERSIGHT OF MEDICAL CARE QUALITY; (2) RECRUITING

NEW PHYSICIANS; AND (3) EMPLOYING PHYSICIANS IN NEEDED SPECIALTIES. IT IS

HARDER TO RECRUIT AND KEEP PHYSICIANS IN RURAL COMMUNITIES THAN EVER

BEFORE. IN MANY CASES, WITHOUT SUPPORT FROM THE HEALTH SYSTEM, OUR

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COMMUNITIES WOULD LOSE PRIMARY AND SPECIALTY CARE. SVMC SUPPORTS PRIMARY CARE PRACTICES IN POWNAL AND BENNINGTON, AS WELL PRACTICES IN PEDIATRICS, OBSTETRICS AND GYNECOLOGY, PALLIATIVE CARE AND INFECTIOUS DISEASE.

IN FISCAL YEAR 2017, SVMC INVESTED IN SUPPORTING THESE PROGRAMS: COMMUNITY SUPPORT, EDUCATION, SCREENINGS, AND SUPPORT GROUPS. ALTHOUGH PROVIDING GREAT HEALTH CARE IS OUR MISSION, SVMC IS DEVOTED TO SUPPORTING OUR COMMUNITIES IN MANY OTHER WAYS. WE WORK TO HELP PEOPLE LEARN TO LIVE LIVES. WE SUPPORT INITIATIVES TO INTRODUCE STUDENTS TO HEALTH CARE CAREERS AND PROVIDE JOB SHADOW OPPORTUNITIES.

OUR EFFORTS INCLUDED:

-PROVIDING A COORDINATOR TO HELP PEOPLE ENROLL IN MEDICAID, MEDICARE, OR OTHER INSURANCES.

-OPERATING THE PHYSICIAN FINDER LINE TO HELP PEOPLE FIND A PRIMARY CARE PROVIDER OR SPECIALIST.

-PROVIDING THE TRANSITIONAL CARE NURSING PROGRAM TO FACILITATE A SAFER TRANSITION TO HOME OR SUBACUTE CARE FOR HOSPITAL PATIENTS

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.

-COORDINATING AND SUPPORTING WELLNESS ACTIVITIES.

-TEACHING PEOPLE THE BENEFITS OF HEALTHIER EATING.

-HOSTED A DIABETES EDUCATIONAL EVENT THAT FEATURED EDUCATORS, GIVEAWAYS AND A HEALTHY COOKING DEMONSTRATION TO HELP PEOPLE WITH DIABETES MANAGE THEIR DISEASE.

-HELPING PEOPLE WITH DIABETES LEARN HOW DIET CAN HELP THEM MANAGE THEIR DISEASE.

-SPONSORING THE HEALTHIER LIVING WORKSHOPS, TO HELP PEOPLE LEARN TO LIVE WITH A CHRONIC CONDITION.

-SUPPORTING LOCAL YOGA.

-PROVIDING SPECIAL COURSES ON PARENTING AND CHILDBIRTH.

-PROVIDING GRIEF SUPPORT GROUPS FOR ADULTS AND CHILDREN.

-PROVIDING SPACE FOR THE FAMILIAL CANCER PROGRAM OF THE VERMONT CANCER CENTER SO THAT AREA RESIDENTS CAN RECEIVE GENETIC COUNSELING WITHOUT HAVING TO TRAVEL.

-SUPPORTING EFFORTS TO IMPROVE SCHOOL LUNCHES BY PROVIDING TIME FOR SVMC'S DIETARY MANAGER TO WORK WITH COMMUNITY MEMBERS AND SCHOOL OFFICIALS AND PROVIDE NUTRITION ASSESSMENT.

Part VI Supplemental Information

Provide the following information.

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

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

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

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

-PROVIDING SPACE FOR A LOCAL SUPPORT GROUPS TO MEET.

-PROVIDING JOB SHADOWING, PRECEPTORSHIPS, AND COMMUNITY SERVICE

OPPORTUNITIES TO LOCAL HIGH SCHOOL AND COLLEGE STUDENTS.

-PROVIDING ONGOING TRAINING AND SUPPORT FOR AREA RESCUE SQUADS.

-PROVIDE FUNDING AND GUIDANCE FOR VISTA FELLOWS ADDRESSING THE SOCIAL

DETERMINANTS OF HEALTH.

SVMC IS ENGAGED IS BROAD ARRAY OF ECONOMIC ACTIVITIES ACROSS THE REGION,

INCLUDING:

-ASSISTING WITH OBTAINING COMMUNITY GRANTS

-COLLABORATE ON THE OPERATIONS OF A CO-WORKING SPACE FOR ENTREPRENEURS

-MAINTAIN A PROGRAM TO PURCHASE AND REHABILITATE BLIGHTED DOWNTOWN HOMES.

IN 2018, SVMC PARTNERED WITH GREEN MOUNTAIN LIFE LONG LEARNING AND THE

MANCHESTER COMMUNITY LIBRARY TO PRESENT A SERIES OF FREE HEALTH EDUCATION

EVENTS FOR THE COMMUNITY. TOPICS FEATURED INCLUDED ORTHOPEDICS AND

SPORTS MEDICINE, PALLIATIVE CARE, HEALTH CARE REFORM, HEART HEALTHY

Part VI Supplemental Information

Provide the following information.

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

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

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

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

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

RECIPES, AND CARDIAC CARE. IN ADDITION, SVMC'S PHYSICIANS AND ASSOCIATE PROVIDERS WERE FREQUENT GUESTS ON WAMC'S (NATIONAL PUBLIC RADIO) MEDICAL MONDAY, A CALL-IN HEALTH CARE PROGRAM. ALSO, SVMC SPONSORED AND/OR PARTICIPATED IN SEVERAL COMMUNITY HEALTH FAIRS AND EVENTS, PROVIDING FREE SKIN CANCER SCREENINGS AND FOOT SCREENINGS BY CLINICIANS.

IN FY2018 TO COMMEMORATE THE FOUNDING AND ANNIVERSARY OF SOUTHWESTERN VERMONT HEALTH CARE IN 1918 THROUGH COMMUNITY DAY, A DAY-LONG EVENT HELD ON THE HEALTH SYSTEM'S CAMPUS AT 100 HOSPITAL DRIVE IN BENNINGTON. MORE THAN 4,000 RESIDENTS OF OUR REGION ATTENDED THE EVENT WHICH COINCIDED WITH OUR ANNUAL CANCER SURVIVOR DAY. THE EVENT FEATURED EDUCATIONAL PRESENTATIONS, TRADESHOW-STYLE BOOTHS BY OVER 30 HEALTH-RELATED VENDORS, FREE HEALTHY FOOD AND GIVEAWAYS (WATER BOTTLES, SUNSCREEN, LIP BALM AND JUMP ROPES), A 5K ROAD RACE, AND A JUMP ROPE RACE (WHICH ATTEMPTED TO SET A GUINNESS WORLD RECORD).

Part VI Supplemental Information

Provide the following information.

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

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

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

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

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM:

THE ORGANIZATION IS A MEMBER OF A CONSOLIDATED GROUP. THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE ACCOUNTS OF SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (SVHC), SOUTHWESTERN VERMONT MEDICAL CENTER, INC. (SVMC), MOUNT ANTHONY HOUSING CORPORATION (MAHC), SOUTHWESTERN VERMONT HEALTH CARE AUXILIARY, INC. (SVMCA), SOUTHWESTERN VERMONT HEALTH CARE ENTERPRISES (SVMCE) AND SOUTHWESTERN VERMONT HEALTH CARE FOUNDATION (FOUNDATION), SOUTHWESTERN VERMONT HEALTH CARE NEW YORK, LLC (SVHC-NY), TWIN RIVER MEDICAL, PC (TR), AND NORTHERN BERKSHIRE MEDICAL, PC (NBM), SOUTHWESTERN VERMONT HEALTH CARE HOOSICK FALLS, LLC (SVHC-HF), HOOSICK FALLS HEALTH CENTER, INC (HFHC), HOOSICK FALLS HEALTH CENTER FOUNDATION (HFHCF).

SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (SVHC) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THE STATE OF VERMONT FOR THE PURPOSE OF SERVING AS A PARENT ORGANIZATION FOR FOUR WHOLLY OWNED OR CONTROLLED SUBSIDIARY CORPORATIONS. ACTIVITIES PERFORMED BY SVHC INCLUDE:

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.

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

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

MANAGING INVESTMENTS; FUNDRAISING; OPERATING AND MANAGING BUILDINGS AND EQUIPMENT OWNED AND LEASED BY SUBSIDIARIES AND OTHER RELATED ENTITIES. SVHC AND ITS SUBSIDIARIES ARE PROVIDERS OF HEALTH SERVICES WITH FACILITIES IN AND AROUND THE BENNINGTON, VERMONT AREA. THE SUBSIDIARIES OF THE CORPORATION ARE:

SOUTHWESTERN VERMONT MEDICAL CENTER, INC. (SVMC) IS A NOT-FOR-PROFIT, ACUTE CARE HOSPITAL WHICH PROVIDES DIAGNOSTIC AND TREATMENT SERVICES.

MOUNT ANTHONY HOUSING CORPORATION (MAHC) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF DEVELOPING, MANAGING AND OPERATING NURSING HOMES.

SOUTHWESTERN VERMONT HEALTH CARE AUXILIARY, INC. (SVMCA) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF SERVING AND ASSISTING SVMC AND ITS SUBSIDIARIES IN PROMOTING THE HEALTH AND WELFARE OF THE COMMUNITY IN ACCORDANCE WITH SVMC'S OBJECTIVES AND TO CONDUCT VARIOUS PHILANTHROPIC ACTIVITIES FOR SVMC.

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.

SOUTHWESTERN VERMONT HEALTH CARE ENTERPRISES (SVHCE) IS A FOR PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING FAMILY PRACTICE AND OTHER SPECIALTY PHYSICIAN SERVICES.

SOUTHWESTERN VERMONT HEALTH CARE FOUNDATION (FOUNDATION) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED EXCLUSIVELY FOR CHARITABLE AND EDUCATIONAL PURPOSES FOR SVMC, ITS SUCCESSORS, SUBSIDIARIES AND AFFILIATES.

SOUTHWESTERN VERMONT HEALTH CARE NEW YORK, LLC (SVHCNY) IS A NOT-FOR-PROFIT PROFESSIONAL EMPLOYMENT CORPORATION ORGANIZED FOR STAFFING PURPOSES IN ADDITION TO OWNING AND LEASING PROPERTY FOR TWIN RIVERS MEDICAL, P.C.

TWIN RIVERS MEDICAL, P.C. (TWIN RIVERS) IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING FAMILY PRACTICE AND OTHER SPECIALTY PHYSICIAN SERVICES. SVMC CONTROLS THE OPERATIONS OF TWIN

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.

RIVERS.

NORTHERN BERKSHIRE MEDICAL, P.C. (NBM) IS A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING ORTHOPEDIC PRACTICE AND OTHER SPECIALTY PHYSICIAN SERVICES. SVMC CONTROLS THE OPERATIONS OF NBM.

HOOSICK FALLS HEALTH CENTER, INC (HFHC) IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF DEVELOPING, MANAGING, AND OPERATING NURSING HOMES. SVHC CONTROLS THE OPERATIONS OF HFHC.

HOOSICK FALLS HEALTH CENTER FOUNDATION (HFHCF) IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF SUPPORTING HOOSICK FALLS HEALTH CENTER, INC. HFHC CONTROLS THE OPERATION OF HFHCF.

SOUTHWESTERN VERMONT HEALTH CENTER HOOSICK FALLS, LLC (SVHC-HF) IS A NOT-FOR- PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF OWNING HFHC.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) GREATER BENNINGTON INTERFAITH COUNCIL 107 ADAMS STREET BENNINGTON, VT 05201	03-0369844	501(C)(3)	12,500.				SUPPORT
(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.

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.

SCHEDULE I, PART I, LINE 2

PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS:

THE ORGANIZATION PROVIDES GRANT FUNDS TO CHARITABLE ORGANIZATIONS BASED

ON NEED. THE USE OF THE FUNDS CAN BE SEEN IN THE COMMUNITY.

OF THE FUNDS CAN BE SEEN 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: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

Part I Questions Regarding Compensation

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

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				
THOMAS DEE	(i)	408,233.	94,090.	44,591.	146,445.	25,699.	719,058.	0.
1 CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
CAROL CONROY	(i)	184,195.	55,778.	140,829.	8,276.	12,890.	401,968.	59,844.
2 CNO	(ii)	0.	0.	0.	0.	0.	0.	0.
STEPHEN MAJETICH	(i)	301,013.	65,765.	19,321.	20,585.	26,459.	433,143.	0.
3 CFO	(ii)	0.	0.	0.	0.	0.	0.	0.
RICHARD OGILVIE	(i)	158,318.	43,491.	19,183.	10,820.	25,187.	256,999.	0.
4 VP CIO	(ii)	0.	0.	0.	0.	0.	0.	0.
KEVIN DAILEY	(i)	207,467.	43,335.	6,691.	8,000.	19,827.	285,320.	0.
5 VP HR	(ii)	0.	0.	0.	0.	0.	0.	0.
BILLIE ALLARD	(i)	163,778.	19,733.	1,424.	11,514.	1,381.	197,830.	0.
6 ADMINISTRATIVE DIR OF NURSING	(ii)	0.	0.	0.	0.	0.	0.	0.
SHEILA BONI	(i)	166,728.	17,203.	832.	11,877.	23,599.	220,239.	0.
7 ASSOCIATE CNO	(ii)	0.	0.	0.	0.	0.	0.	0.
ANTONIETTA MAZZARIELLO	(i)	164,964.	18,484.	1,287.	11,221.	73.	196,029.	0.
8 DIRECTOR OF REVENUE CYCLE	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES ROY	(i)	163,704.	15,183.	975.	11,698.	21,449.	213,009.	0.
9 CONTROLLER	(ii)	0.	0.	0.	0.	0.	0.	0.
DREW LERMAN	(i)	164,363.	850.	841.	4,125.	17,835.	188,014.	0.
10 MPD FINANCE DEPART DIRECTOR	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
11	(ii)							
	(i)							
12	(ii)							
	(i)							
13	(ii)							
	(i)							
14	(ii)							
	(i)							
15	(ii)							
	(i)							
16	(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 4A

SEVERANCE PAYMENTS:

$ 62,985 CAROL CONROY

SCHEDULE J, PART I, LINE 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

CONTRIBUTIONS TO NONQUALIFIED PLANS:

$ 138,445 THOMAS DEE

12,585 STEPHEN MAJETICH

5,308 CAROL CONROY

2,820 RICHARD OGILVIE

DISTRIBUTIONS FROM NONQUALIFIED PLANS:

$ 59,844 CAROL CONROY

SCHEDULE J, PART II, COLUMN B(II)

BONUS DETERMINATION:

THE AMOUNT OF INCENTIVE COMPENSATION IS CALCULATED IN ACCORDANCE WITH THE

FORMAL INCENTIVE COMPENSATION PROGRAM THAT WAS DEVELOPED BY SVHC'S HUMAN

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.

RESOURCE DEPARTMENT IN CONJUNCTION WITH OUR COMPENSATION CONSULTANT MIKE MACIEKOWICH OF ASTRON SOLUTIONS. THE ESSENCE OF THE PROGRAM IS TO REWARD OUR CEO FOR ACHIEVING POSITIVE RESULTS ON BOTH ORGANIZATIONAL AND INDIVIDUAL GOALS. GOALS ARE ESTABLISHED BY THE GOVERNANCE COMMITTEE PRIOR TO THE BEGINNING OF THE FISCAL YEAR. TYPICALLY THERE WILL BE FIVE TO SIX ORGANIZATIONAL GOALS AND EIGHT TO TEN INDIVIDUAL GOALS. SUCCESSFUL ACHIEVEMENT OF THESE GOALS RESULTS IN ADDITIONAL COMPENSATION FOR THE CEO; HOWEVER, NO PAYOUT IS MADE UNLESS SVHC'S FINANCIAL GOAL IS ACHIEVED.

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	VT EDUCATIONAL & HEALTH BUILDING FINANCING AGENCY	23-7154467	824166BRI	03/20/2008	8,865,000.	CURRENT REFUNDING OF 1995 BONDS		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,580,000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	8,865,000.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	8,707,360.			
7	Issuance costs from proceeds	135,047.			
8	Credit enhancement from proceeds	22,593.			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2008			

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

Part III Private Business Use

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

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

Part III Private Business Use *(Continued)* GROUP 1

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

Part IV Arbitrage

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

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

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

Part V **Procedures To Undertake Corrective Action**

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

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

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

SCHEDULE K, PART IV, LINE 2C

REBATE COMPUTATION:

THE REBATE COMPUTATION WAS PERFORMED 03/20/18.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047
2017
Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

FORM 990, PART III, LINE 1

ORGANIZATION'S MISSION:

OUR MISSION: TO CARE FOR AND COMFORT OUR PATIENTS, RESIDENTS, AND THEIR LOVED ONES AND TO IMPROVE THE HEALTH STATUS OF THE COMMUNITIES WE SERVE. ALSO, TO PROMOTE AND SUPPORT THE DEVELOPMENT AND MAINTENANCE OF A HIGHLY EFFICIENT, PATIENT-FOCUSED, INTEGRATED HEALTHCARE DELIVERY SYSTEM.

OUR VISION: TO MAKE THE COMMUNITIES WE SERVE THE HEALTHIEST IN THE NATION AND OUR HEALTH SYSTEM THE SAFEST IN THE NATION.

OUR VALUES: KNOWN BY THE ACRONYM QUESTS, SVHC EXPECTS ITS EMPLOYEES TO MODEL THE FOLLOWING VALUES:

QUALITY: ACHIEVING THE BEST POSSIBLE OUTCOMES AND SATISFYING THE CUSTOMER IN THE MOST COST-EFFECTIVE MANNER.

EMPATHY: TREATING OTHERS IN A COMPASSIONATE AND SENSITIVE MANNER.

SAFETY: PREVENTING HARM TO PATIENTS FROM TREATMENT THAT IS INTENDED TO HELP THEM AND TO EMPLOYEES FROM AN ENVIRONMENT THAT IS INTENDED TO SUPPORT THEM.

TEAMWORK: HELPING EACH OTHER TO ACHIEVE SUCCESS.

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

STEWARDSHIP: CONSERVING RESOURCES AND MAKING DECISIONS THAT ACHIEVE THE HIGHEST VALUE AT THE LOWEST COST.

FORM 990, PART VI, SECTION A, LINE 2

BUSINESS RELATIONSHIPS:

THE ORGANIZATION'S BOARD OF DIRECTORS IS THE SAME AS THE BOARD OF DIRECTORS OF SOUTHWESTERN VERMONT HEALTHCARE ENTERPRISES, A RELATED TAXABLE ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 3

MANAGEMENT DUTIES:

DARTMOUTH-HITCHCOCK MEDICAL CENTER MANAGES THE PHYSICIANS. AS PART OF THIS ARRANGEMENT, THE CMO IS AN EMPLOYEE OF DARTMOUTH-HITCHCOCK AND PERFORMS CERTAIN MANAGEMENT FUNCTIONS.

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

MEMBERS:

THE SOLE MEMBER OF THE CORPORATION SHALL BE THE SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (SVHC), A NONPROFIT CORPORATION, ACTING THROUGH ITS BOARD OF DIRECTORS (THE SVHC BOARD). THE MEMBER SHALL TAKE ACTION BY RESOLUTION DULY ADOPTED BY THE SVHC BOARD OR BY EXECUTION OF A WRITTEN CONSENT, AUTHORIZED BY THE SVHC BOARD AND EXECUTED BY A PERSON SO AUTHORIZED.

THE AFFAIRS OF THE CORPORATION SHALL BE MANAGED AND CONDUCTED BY A BOARD OF DIRECTORS (THE BOARD), SUBJECT TO THE AUTHORITY AND DIRECTION OF THE

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

SVHC BOARD. THE SVHC BOARD SHALL HAVE ULTIMATE RESPONSIBILITY TO ASSURE THAT THE POLICIES AND ACTIVITIES OF THE CORPORATION ARE COORDINATED WITH THOSE OF ITS AFFILIATED CORPORATIONS IN ORDER TO ACHIEVE A HIGHLY EFFICIENT, PATIENT-FOCUSED, INTEGRATED SYSTEM OF HEALTH CARE DELIVERY. ACCORDINGLY, ANY CORPORATE ACTION OF THE CORPORATION AUTHORIZED BY THE SVHC BOARD SHALL BE DEEMED TO BE AUTHORIZED AND DIRECTED BY THE BOARD. IN THE ABSENCE OF ANY CONTRARY DIRECTION FROM SVHC BOARD, THE BOARD MAY TAKE ACTION WITH RESPECT TO THE AFFAIRS OF THE CORPORATION IN ACCORDANCE WITH THESE BYLAWS, PROVIDED HOWEVER, THAT THE BOARD MAY NOT TAKE ACTION WITH RESPECT TO ANY OF THE FOLLOWING MATTERS WITHOUT AUTHORIZATION OF THE SVHC BOARD:

ANNUAL OPERATING BUDGETS; CAPITAL BUDGETS; CERTIFICATE OF NEED APPLICATIONS; ANY CONTRACT OR AGREEMENT WHICH IS OF A SUBSTANTIAL NATURE OR WHICH IS NOT INCLUDED IN APPROVED OPERATING OR CAPITAL BUDGETS; ANY VOLUNTARY DISSOLUTION, MERGER, OR CONSOLIDATION OF THE CORPORATION OR THE SALE OR TRANSFER OF ALL OR SUB-CREATION, ACQUISITION, DISSOLUTION, MERGER OR CONSOLIDATION OF ANY SUBSIDIARY OR AFFILIATE OR AUXILIARY CORPORATION; ANY AMENDMENTS TO THE BYLAWS, ARTICLES OF INCORPORATION OF THE CORPORATION; THE STRATEGIC AND MASTER FACILITIES PLANS; AND APPOINTMENT OF CHIEF EXECUTIVE OFFICER.

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

FORM 990 REVIEW PROCESS:

THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

DEPARTMENT OF THE ORGANIZATION. THE DRAFT 990 IS THEN REVIEWED BY MANAGEMENT AND ACCOUNTING. AFTER ALL SUGGESTED CHANGES FROM MANAGEMENT ARE MADE, THE UPDATED DRAFT FORM 990 IS THEN PRESENTED TO THE AUDIT AND FINANCE COMMITTEES. AFTER ANY FINAL CHANGES ARE MADE, THE FORM 990 IS PRESENTED TO THE FULL BOARD OF DIRECTORS BEFORE FILING WITH THE IRS.

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

CONFLICT OF INTEREST POLICY:

OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES ARE REQUIRED TO ANNUALLY DISCLOSE INTERESTS WHICH COULD RESULT IN CONFLICTS. THE COMPLIANCE OFFICER MAINTAINS RECORDS ON THE COMPLETION OF THE CONFLICT OF INTEREST FORMS, ANY POTENTIAL CONFLICTS ARE DISCUSSED AT THE AUDIT AND COMPLIANCE MEETING AND THEN RECOMMENDATIONS ARE BROUGHT BEFORE THE FULL BOARD FOR A VOTE. IN THE CASE OF A POTENTIAL CONFLICT OF INTEREST, THE BOARD MEMBER ABSTAINS FROM ALL DISCUSSION AND CONSIDERATION OF THE ITEM THAT PRESENTS THE POTENTIAL CONFLICT.

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

COMPENSATION REVIEW:

THE BOARD ENGAGES AN OUTSIDE CONSULTING FIRM TO REVIEW COMPARABLE CEO SALARY DATA AND USES NATIONAL PROFESSIONAL ORGANIZATION SURVEY DATA IN THE DETERMINATION OF THE CEO'S SALARY AND BENEFITS. IN ADDITION, THE BOARD ENGAGES AN OUTSIDE CONSULTING FIRM AND ALSO USES NATIONAL PROFESSIONAL ORGANIZATION SURVEY DATA TO REVIEW THE WAGE DATA OF OTHER OFFICERS AND KEY EMPLOYEES. THE PROCESS BEGINS WITH A REQUEST TO OUR COMPENSATION CONSULTANT MIKE MACIEKOWICH OF ASTRON SOLUTIONS TO

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

PERFORM A MARKET ANALYSIS OF THE CEO POSITION. THIS REPORT IS USED AS THE BASIS FOR STRUCTURING COMPENSATION FOR THE CEO DURING THE NEXT CONTRACT PERIOD. USING THE RESULTS OF THE MARKET ANALYSIS WITH INPUT FROM OUR CEO, THE COMPENSATION OFFER FOR THE NEXT CONTRACT PERIOD IS DEVELOPED AND INCORPORATED INTO THE CONTRACT. THE COMPENSATION IS THEN DISCUSSED BY THE GOVERNANCE COMMITTEE OF THE BOARD WITH MIKE MACIEKOWICH IN ATTENDANCE OR ON THE PHONE. IF MIKE MACIEKOWICH IS IN AGREEMENT HE WILL PROVIDE A WRITTEN LETTER CONFIRMING HIS AGREEMENT.

FORM 990, PART VI, SECTION C, LINE 19

DOCUMENT DISCLOSURE:

SOUTHWESTERN VERMONT MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VII, SECTION A

BOARD MEMBER COMPENSATION:

NO TRUSTEE RECEIVES COMPENSATION FOR THEIR SERVICES AS A TRUSTEE OF THE BOARD. ERIC SEYFERTH, MD, RECEIVES COMPENSATION AS A PHYSICIAN. THOMAS DEE IS COMPENSATED AS THE CEO OF THE SOUTHWESTERN VERMONT HEALTHCARE SYSTEM.

FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS:

$ (4,731,544) TRANSFER TO AFFILIATES

2,813,926 DEFINED BENEFIT PENSION COSTS

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

470,717 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP

$ (1,446,901)

ATTACHMENT 1

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
DARTMOUTH HITCHCOCK MEDICAL CENTER ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	PURCHASED/LAB SVCS	26,446,458.
ANESTHESIOLOGY ASSOCIATES OF BENNINGTON 100 HOSPITAL DRIVE BENNINGTON, VT 05201	PHYSICIAN PSA	1,151,566.
BERKELEY RESEARCH GROUP LLC 2200 POWELL ST., SUITE 1200 EMERYVILLE, CA 94608	CONSULTING	977,630.
RENOVO SOLUTIONS LLC 4 EXECUTIVE CIRCLE SUITE 185 IRVINE, CA 92614	BIOMEDICAL ENG	935,955.
GREEN MOUNTAIN GATEWAY GROUP PO BOX 369 SHELBURNE, VT 05842	RENT	276,986.

ATTACHMENT 2

FORM 990, PART IX - OTHER FEES

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
PSA FEES	27,524,689.	26,217,611.	1,307,078.	
PURCHASED SERVICES	8,437,571.	7,925,722.	511,849.	
SERVICE CONTRACTS	2,395,186.	2,299,750.	95,436.	
CONTRACTED SERVICES	2,032,762.	2,016,213.	16,549.	
LOCUM FEES	1,614,936.	1,614,936.		

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

ATTACHMENT 2 (CONT'D)

FORM 990, PART IX - OTHER FEES

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
CONSULTANTS	474,014.		474,014.	
COLLECTION FEES	229,247.	229,247.		
TRANSCRIPTION SERVICES	71,558.	71,558.		
GRIEF COUNSELING	727.	727.		
TOTALS	42,780,690.	40,375,764.	2,404,926.	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

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) SOUTHWESTERN VERMONT HEALTH CARE CORP. 03-0179435 100 HOSPITAL DRIVE BENNINGTON, VT 05201	MANAGEMENT	VT	501(C)(3)	3	N/A		X
(2) MOUNT ANTHONY HOUSING CORPORATION 03-0279740 100 HOSPITAL DRIVE BENNINGTON, VT 05201	NURSING HOMES	VT	501(C)(3)	10	SVHC		X
(3) SOUTHWESTERN VT HEALTHCARE AUXILIARY 22-2563243 100 HOSPITAL DRIVE BENNINGTON, VT 05201	SUPPORT SVHC	VT	501(C)(3)	10	SVHC		X
(4) SOUTHWESTERN VT HEALTHCARE FOUNDATION 45-3362785 100 HOSPITAL DRIVE BENNINGTON, VT 05201	FUNDRAISING	VT	501(C)(3)	12 A I	SVHC		X
(5) TWIN RIVERS MEDICAL PC 47-3028931 16 DANFORTH STREET HOOSICK FALLS, NY 12090	HEALTHCARE	NY	501(C)(3)	10	SVMC	X	
(6) NORTHERN BERKSHIRE MEDICAL PC 81-4023607 375 MAIN STREET WILLIAMSTOWN, MA 01267	HEALTHCARE	MA	501(C)(3)	10	SVMC	X	
(7) HOOSICK FALLS HEALTH CENTER, INC. 14-1370000 21 DANFORTH STREET HOOSICK FALLS, NY 12090	NURSING HOME	NY	501(C)(3)	3	SVHC		X

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

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) HOOSICK FALLS HEALTH CENTER FOUNDATION 22-3186959 21 DANFORTH STREET HOOSICK FALLS, NY 12090	FUNDRAISING	NY	501(C)(3)	7	HFHC		X
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2017

JSA

7E1307 1.000

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(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	(i) No
(1) SOUTHWESTERN VT HEALTHCARE ENTERPRISES 03-0314501 100 HOSPITAL DRIVE BENNINGTON, VT 05201	HEALTHCARE	VT	SVHC	C CORP					X
(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.

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

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	NORTHERN BERKSHIRE MEDICAL PC	D	638,509.	FMV
(2)	TWIN RIVERS MEDICAL PC	D	310,533.	FMV
(3)	NORTHERN BERKSHIRE MEDICAL PC	R	739,021.	FMV
(4)	TWIN RIVERS MEDICAL PC	R	1,815,027.	FMV
(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.

Form **990-T**

Department of the Treasury
Internal Revenue Service

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.

▶ 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).

OMB No. 1545-0687

2017

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

A [ ] Check box if address changed

B Exempt under section
[X] 501(C)(3)
[ ] 408(e) [ ] 220(e)
[ ] 408A [ ] 530(a)
[ ] 529(a)

C Book value of all assets at end of year
81,005,430.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.)
SOUTHWESTERN VERMONT MEDICAL CENTER

Number, street, and room or suite no. If a P.O. box, see instructions.
100 HOSPITAL DRIVE

City or town, state or province, country, and ZIP or foreign postal code
BENNINGTON, VT 05201

D Employer identification number (Employees' trust, see instructions.)
22-2563241

E Unrelated business activity codes (See instructions.)
900099

F Group exemption number (See instructions.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ DISALLOWED TRANSPORTATION FRINGE BENEFITS

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ [X] Yes [ ] No
If "Yes," enter the name and identifying number of the parent corporation. ▶ ATTACHMENT 1

J The books are in care of ▶ STEPHEN MAJETICH Telephone number ▶ 802-447-5011

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances c Balance ▶	1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See instructions; attach schedule)	12	61,261.	ATCH 2	61,261.
13	**Total.** Combine lines 3 through 12	13	61,261.		61,261.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			14	
15	Salaries and wages			15	
16	Repairs and maintenance			16	
17	Bad debts			17	
18	Interest (attach schedule)			18	
19	Taxes and licenses			19	4,647.
20	Charitable contributions (See instructions for limitation rules)			20	
21	Depreciation (attach Form 4562)	21			
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b	
23	Depletion			23	
24	Contributions to deferred compensation plans			24	
25	Employee benefit programs			25	
26	Excess exempt expenses (Schedule I)			26	
27	Excess readership costs (Schedule J)			27	
28	Other deductions (attach schedule)			28	
29	**Total deductions.** Add lines 14 through 28			29	4,647.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30	56,614.
31	Net operating loss deduction (limited to the amount on line 30)			31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32	56,614.
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions)			33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34	55,614.

For Paperwork Reduction Act Notice, see instructions.

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 44,815. (2) $ 10,799. (3) $		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $		
	(2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ATCH 3 ▶	35c	11,110.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See instructions ▶	37	
38	Alternative minimum tax	38	
39	**Tax on Non-Compliant Facility Income.** See instructions	39	
40	**Total.** Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	11,110.

Part IV Tax and Payments

41 a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	41a			
b	Other credits (see instructions)	41b			
c	General business credit. Attach Form 3800 (see instructions)	41c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	41d			
e	**Total credits.** Add lines 41a through 41d			41e	
42	Subtract line 41e from line 40			42	11,110.
43	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			43	
44	**Total tax.** Add lines 42 and 43			44	11,110.
45 a	Payments: A 2016 overpayment credited to 2017	45a			
b	2017 estimated tax payments	45b			
c	Tax deposited with Form 8868	45c	19,000.		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	45d			
e	Backup withholding (see instructions)	45e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	45f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	45g			
46	**Total payments.** Add lines 45a through 45g			46	19,000.
47	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			47	
48	**Tax due.** If line 46 is less than the total of lines 44 and 47, enter amount owed ▶			48	
49	**Overpayment.** If line 46 is larger than the total of lines 44 and 47, enter amount overpaid ▶			49	7,890.
50	Enter the amount of line 49 you want: **Credited to 2018 estimated tax** ▶ 7,890. **Refunded** ▶			50	

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

		Yes	No
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 (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
52	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
53	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

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

Signature of officer | Date | Title ▶

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

Paid Preparer Use Only

Print/Type preparer's name: BRIAN D TODD	Preparer's signature	Date	Check [ ] if self-employed	PTIN P00422601
Firm's name ▶ BKD, LLP			Firm's EIN ▶ 44-0160260
Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190, SPRINGFIELD, MO 65806-2523			Phone no. 417 865-8701

Form **990-T** (2017)

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					
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
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		**3(a)** Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(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)	
(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)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				
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)				
Totals ▶			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).

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)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

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)						
Totals ▶	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.

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 . . . . . ▶			

SCHEDULE O (Form 1120)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.**
▶ **Information about Schedule O (Form 1120) and its instructions is available at *www.irs.gov/form1120*.**

OMB No. 1545-0123

Name: SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number: 22-2563241

Part I Apportionment Plan Information

1 Type of controlled group:
- **a** [X] Parent-subsidiary group
- **b** [ ] Brother-sister group
- **c** [ ] Combined group
- **d** [ ] Life insurance companies only

2 This corporation has been a member of this group:
- **a** [X] For the entire year.
- **b** [ ] From _____ , until _____ .

3 This corporation consents and represents to:
- **a** [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____ , and for all succeeding tax years.
- **b** [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2018 , and for all succeeding tax years.
- **c** [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- **d** [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____ , and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:
- **a** [ ] Elected by the component members of the group.
- **b** [ ] Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- **a** [ ] No apportionment plan is in effect and none is being adopted.
- **b** [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____ , and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- **a** [ ] Yes.
  - *(i)* [ ] The statute of limitations for this year will expire on _____ .
  - *(ii)* [ ] On _____ , this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____ .
- **b** [ ] No. The members may not adopt or amend an apportionment plan.

7 Required information and elections for component members. Check the applicable box(es) (see instructions).
- **a** [ ] The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
- **b** [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1).
- **c** [ ] The corporation has a short tax year that does not include December 31.

Part II **Taxable Income Apportionment** (See instructions)

Caution: *Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket (c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) **Total** (add columns (c) through (f))
1 MOUNT ANTHONY HOUSING CORPORATION	03-0279740	2018-09	5,185.	NONE	NONE	NONE	5,185.
2 SOUTHWESTERN VERMONT MEDICAL CENTER	22-2563241	2018-09	44,815.	10,799.	NONE	NONE	55,614.
3 SOUTHWESTERN VERMONT HEALTH CARE EN TERPRISES	03-0314501	2018-09	NONE	NONE	NONE	NONE	NONE
4							
5							
6							
7							
8							
9							
10							
Total			50,000.	10,799.	NONE	NONE	60,799.

Part III **Income Tax Apportionment** (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 MOUNT ANTHONY HOUSING CORPORATION	778.	NONE	NONE	NONE	NONE	NONE	778.
2 SOUTHWESTERN VERMONT MEDICAL CENTER	6,722.	2,700.	NONE	NONE	NONE	NONE	9,422.
3 SOUTHWESTERN VERMONT HEALTH CARE EN TERPRISES	NONE	NONE	NONE	NONE	NONE	NONE	NONE
4							
5							
6							
7							
8							
9							
10							
Total	7,500.	2,700.	NONE	NONE	NONE	NONE	10,200.

Part IV **Other Apportionments** (See instructions)

(a) Group member's name	Other Apportionments				
	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 MOUNT ANTHONY HOUSING CORPORATION	NONE	NONE	NONE	NONE	NONE
2 SOUTHWESTERN VERMONT MEDICAL CENTER	NONE	NONE	NONE	NONE	NONE
3 SOUTHWESTERN VERMONT HEALTH CARE EN TERPRISES	NONE	NONE	NONE	NONE	NONE
4					
5					
6					
7					
8					
9					
10					
Total	NONE	NONE	NONE	NONE	NONE

ATTACHMENT 1

NAME AND FEIN OF PARENT CORPORATION

SOUTHWESTERN VERMONT HEALTH CARE CORPORATION
03-0179435

ATTACHMENT 2

PART I - LINE 12 - OTHER INCOME

DISALLOWED TRANSPORTATION FRINGE BENEFITS	61,261.
PART I - LINE 12 - OTHER INCOME	61,261.

FORM 990-T: FISCAL YEAR CORPORATION TAX COMPUTATION APPLYING BLENDED TAX RATE

1	UNRELATED BUSINESS TAXABLE INCOME (PAGE1, PART II, LINE 34).	55,614.
2	TAX ON LINE 1 FIGURED USING THE TAX RATE SCHEDULE OR TAX COMPUTATION WORKSHEET FOR MEMBERS OF A CONTROLLED GROUP.....	9,422.
3	TAX ON LINE 1 FIGURED USING THE 21% RATE.....	11,679.
4	MULTIPLY LINE 2 BY THE NUMBER OF DAYS 92 IN THE CORPORATION'S TAX YEAR BEFORE 01/01/2018.....	866,824.
5	MULTIPLY LINE 3 BY THE NUMBER OF DAYS 273 IN THE CORPORATION'S TAX YEAR AFTER 12/31/2017.....	3,188,367.
6	DIVIDE LINE 4 BY THE TOTAL NUMBER OF DAYS 365 IN THE CORPORATION'S TAX YEAR.....	2,375.
7	DIVIDE LINE 5 BY THE TOTAL NUMBER OF DAYS 365 IN THE CORPORATION'S TAX YEAR.....	8,735.
8	ADD LINES 6 AND 7: THE TOTAL TAX FOR THE FISCAL YEAR.....	11,110.

Electronic Filing Information: PDF attachments Included in this Return

Tax Year: 2017
Name: SOUTHWESTERN VER
Return No: E2266BN7

Jurisdiction: Federal
No of Attachments: 1

PDF Attachment Description	PDF File Name	File Size
Audited Financial Statements	E2266BN7_FE_Audit Report.pdf	1,219,101

07/31/2019 17:02:42

Southwestern Vermont Health Care Corporation

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2018 and 2017

BKD
CPAs & Advisors

Southwestern Vermont Health Care Corporation

September 30, 2018 and 2017

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BKD
CPAs & Advisors

910 E. St. Louis Street, Suite 200 | P.O. Box 1190 | Springfield, MO 65801-1190
417.865.8701 | Fax 417.865.0682 | bkd.com

Independent Auditor's Report

Board of Trustees
Southwestern Vermont Health Care Corporation
Bennington, Vermont

We have audited the accompanying consolidated financial statements of Southwestern Vermont Health Care Corporation (the "Corporation"), which comprise the consolidated 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.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Vermont Health Care Corporation as of September 30, 2018 and 2017, and the results of its operations, changes in net assets and 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 accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Springfield, Missouri
December 11, 2018

Southwestern Vermont Health Care Corporation

Consolidated Balance Sheets

September 30, 2018 and 2017

Assets

	2018	2017
Current Assets		
Cash and cash equivalents	$ 10,664,727	$ 14,053,746
Patient accounts receivable, net of allowance; 2018 – $10,770,000; 2017 – $9,709,000	17,219,172	15,825,444
Other receivables	1,805,669	863,909
Supplies	3,297,450	2,880,118
Prepaid expenses and other	1,756,201	1,318,179
Total current assets	34,743,219	34,941,396
Assets Limited As To Use		
Internally designated	68,556,894	66,666,797
Externally restricted	13,250,863	12,660,312
	81,807,757	79,327,109
Property and Equipment, At Cost	181,180,643	168,078,253
Less accumulated depreciation	125,221,524	117,914,553
	55,959,119	50,163,700
Other Assets		
Beneficial interest in perpetual trust	2,280,596	2,152,532
Deferred compensation plan assets	1,088,624	1,009,537
Other	572,142	387,040
	3,941,362	3,549,109
Total assets	$ 176,451,457	$ 167,981,314

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2018	2017
Current Liabilities		
Current maturities of long-term debt	$ 1,190,617	$ 505,575
Accounts payable	8,565,414	7,599,391
Accrued expenses	15,029,375	16,691,902
Estimated amounts due to third-party payers	1,489,168	1,229,984
Estimated self-insurance costs	1,025,776	703,050
Other	164,566	223,215
Total current liabilities	27,464,916	26,953,117
Long-Term Debt	10,983,572	11,448,825
Asset Retirement Obligations	1,190,238	1,175,465
Accrued Pension Liabilities	7,564,224	14,495,369
Deferred Compensation	1,082,867	1,004,349
Interest Rate Swap Agreements	770,117	1,238,408
Other Liabilities	1,456,598	1,281,597
Total liabilities	50,512,532	57,597,130
Net Assets		
Unrestricted	109,732,710	95,345,218
Temporarily restricted	4,703,909	3,784,724
Permanently restricted	11,502,306	11,254,242
Total net assets	125,938,925	110,384,184
Total liabilities and net assets	$ 176,451,457	$ 167,981,314

Southwestern Vermont Health Care Corporation

Consolidated Statements of Operations

Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 180,313,420	$ 170,659,436
Provision for uncollectible accounts	(6,151,299)	(5,340,353)
Net patient service revenue less provision for uncollectible accounts	174,162,121	165,319,083
Other	5,660,876	5,580,632
Fixed prospective revenue	5,254,620	-
Net assets released from restrictions used for operations	833,036	1,144,611
Total unrestricted revenues, gains and other support	185,910,653	172,044,326
Expenses and Losses		
Salaries and wages	60,846,202	54,786,057
Employee benefits	15,788,303	14,437,274
Purchased services	44,154,538	41,267,234
Supplies and other	53,845,808	50,466,411
Depreciation and amortization	7,372,802	6,981,367
Interest	697,934	529,616
Total expenses and losses	182,705,587	168,467,959
Operating Income	3,205,066	3,576,367
Other Income (Expense)		
Investment return	2,169,463	6,869,903
Change in fair value of interest rate swap agreements	481,554	653,822
Contributions	1,799,182	1,675,753
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	1,135,620	-
Other	379,741	(670,966)
Total other income (expense)	5,965,560	8,528,512
Excess of Revenues Over Expenses	9,170,626	12,104,879
Net assets released from restriction used for purchase of property and equipment	32,000	81,025
Grant received for acquisition of property and equipment	2,173,289	-
Defined benefit pension costs		
Net gain arising during the period	1,792,074	4,606,126
Amortization of net loss included in net periodic pension cost	1,219,503	1,393,894
Increase in Unrestricted Net Assets	$ 14,387,492	$ 18,185,924

Southwestern Vermont Health Care Corporation

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted Net Assets		
Excess of revenues over expenses	$ 9,170,626	$ 12,104,879
Grant received for acquisition of property and equipment	2,173,289	-
Net assets released from restriction used for purchase of property and equipment	32,000	81,025
Defined benefit pension costs		
Net gain arising during the period	1,792,074	4,606,126
Amortization of net loss included in net periodic pension cost	1,219,503	1,393,894
Increase in unrestricted net assets	14,387,492	18,185,924
Temporarily Restricted Net Assets		
Contributions received	1,628,552	2,431,245
Change in interest in net assets of Hoosick Falls Health Center Foundation	12,310	-
Investment return	25,259	197,681
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	118,100	-
Net assets released from restriction	(865,036)	(1,225,636)
Increase in temporarily restricted net assets	919,185	1,403,290
Permanently Restricted Net Assets		
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	67,846	-
Contributions received	120,000	100,344
Change in beneficial interest in trusts	60,218	92,766
Increase in permanently restricted net assets	248,064	193,110
Change in Net Assets	15,554,741	19,782,324
Net Assets, Beginning of Year	110,384,184	90,601,860
Net Assets, End of Year	$ 125,938,925	$ 110,384,184

Southwestern Vermont Health Care Corporation

Consolidated Statements of Cash Flows

Years Ended September 30, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	$ 15,554,741	$ 19,782,324
Items not requiring (providing) operating cash flow		
(Gain) loss on sale of property and equipment	(1,163)	23,293
Contribution of CNR	(1,321,566)	-
Depreciation and amortization	7,372,802	6,981,367
Net gain on investments	(1,280,288)	(6,349,305)
Change in fair value of interest rate swap agreement	(481,554)	(653,822)
Change in beneficial interest in perpetual trusts	(60,218)	(92,766)
Restricted contributions and investment income received	(1,786,121)	(2,729,270)
Grant received for acquisition of property and equipment	(2,173,289)	-
Defined benefit pension costs	(6,931,145)	(11,010,874)
Changes in		
Patient accounts receivable, net	(520,040)	810,356
Estimated amounts due from and to third-party payers	109,740	(2,313,011)
Accounts payable and accrued expenses	(2,900,992)	2,557,256
Asset retirement obligations	14,773	(4,897)
Other assets and liabilities	(1,889,445)	(434,815)
Net cash provided by operating activities	3,706,235	6,565,836
Investing Activities		
Purchase of investments	(19,264,378)	(18,756,345)
Proceeds from sale of investments	18,241,090	18,051,814
Cash contributed from CNR	215,575	-
Purchase of property and equipment	(8,303,243)	(13,195,851)
Proceeds from sale of property and equipment	-	1,120,033
Net cash used in investing activities	(9,110,956)	(12,780,349)
Financing Activities		
Proceeds from restricted contributions and investment income	1,469,498	2,729,270
Proceeds from grant income	1,365,076	-
Principal payments on long-term debt	(818,872)	(494,507)
Net cash provided by financing activities	2,015,702	2,234,763
Decrease in Cash and Cash Equivalents	(3,389,019)	(3,979,750)
Cash and Cash Equivalents, Beginning of Year	14,053,746	18,033,496
Cash and Cash Equivalents, End of Year	$ 10,664,727	$ 14,053,746
Supplemental Cash Flows Information		
Interest paid	$ 695,408	$ 528,485
Property and equipment in accounts payable	$ 2,147,694	$ 1,190,861
Capital lease obligation incurred	$ -	$ 1,667,031
Assets acquired	$ 5,813,488	$ -
Liabilities assumed	$ 4,491,922	$ -

Southwestern Vermont Health Care Corporation

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

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

Nature of Operations

Southwestern Vermont Health Care Corporation (SVHC) is a not-for-profit corporation organized under the laws of the State of Vermont for the purpose of serving as a parent organization for wholly owned or controlled subsidiary corporations. Activities performed by SVHC include managing investments and operating and managing buildings and equipment owned and leased by subsidiaries and other related entities. SVHC and its subsidiaries are providers of health services with facilities in and around the Bennington, Vermont, area. The subsidiaries of the Corporation are:

Southwestern Vermont Medical Center, Inc. (SVMC) is a not-for-profit, acute care hospital which provides diagnostic and treatment services.

Mount Anthony Housing Corporation (MAHC) is doing business as Centers for Living and Rehabilitation (CLR) and is a not-for-profit corporation organized for the purpose of developing, managing and operating nursing homes.

Southwestern Vermont Health Care Auxiliary, Inc. (SVHCA) is a not-for-profit corporation organized for the purpose of serving and assisting SVHC and its subsidiaries in promoting the health and welfare of the community in accordance with SVMC's objectives and to conduct various philanthropic activities for SVMC.

Southwestern Vermont Health Care Enterprises (SVHCE) is a for-profit corporation organized for the purpose of providing family practice and other specialty physician services.

Southwestern Vermont Health Care Foundation, Inc. (Foundation) is a not-for-profit corporation organized exclusively for charitable and educational purposes for SVHC, its successors, subsidiaries and affiliates.

Southwestern Vermont Health Care New York, LLC (SVHCNY) is a not-for-profit professional employment corporation organized for staffing purposes in addition to owning and leasing property for Twin Rivers Medical, P.C.

Twin Rivers Medical, P.C. (Twin Rivers) is a New York not-for-profit corporation organized for the purpose of providing family practice and other specialty physician services. SVMC controls the operations of Twin Rivers.

Northern Berkshire Medical, P.C. (NBM) is a Massachusetts not-for-profit corporation organized for the purpose of providing orthopedic practice and other specialty physician services. SVMC controls the operations of NBM.

Effective February 5, 2018, the Corporation acquired Hoosick Falls Health Center, Inc., d/b/a The Center for Nursing and Rehabilitation at Hoosick Falls (CNR). CNR is a not-for-profit organization organized for the purpose of developing, managing and operating nursing homes. See *Note 20* for further information. CNR is a wholly owned entity of SVHCNY.

Southwestern Vermont Health Care Corporation

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

Principles of Consolidation

The consolidated financial statements include the accounts of SVHC and its controlled entities, SVMC, MAHC, SVHCA, SVHCE, the Foundation, SVHCNY, Twin Rivers, NBM and SVHCHF (collectively, the "Corporation"). All significant intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation 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 money market sweep accounts with banks, which are not FDIC insured, but may be covered by separate agreements with the financial institution. At September 30, 2018, the Corporation held approximately $9,206,000 in sweep products with one financial institution.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to $250,000. At September 30, 2018, the Corporation's deposit accounts exceeded federally insured limits by approximately $614,000.

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. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient. 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 consolidated 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 (1) assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes and (2) assets restricted by donors.

Patient Accounts Receivable

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

For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible 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), the Corporation records a significant provision for uncollectible 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) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Corporation's allowance for uncollectible accounts for self-pay patients increased from 87 percent of self-pay accounts receivable at September 30, 2017, to 92 percent of self-pay accounts receivable at September 30, 2018. In addition, the Corporation's write-offs increased approximately $545,000 from approximately $4,545,000 for the year ended September 30, 2017, to approximately $5,090,000 for the year ended September 30, 2018. The increase was the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2018, as well as the acquisition of CNR.

Activity within the allowance for uncollectible accounts is recapped as follows:

	2018	2017
Balance, beginning of year	$ 9,709,000	$ 8,915,000
Provision for year	6,151,299	5,340,353
Accounts charged off during the year	(5,094,299)	(4,546,353)
Balance, end of year	$ 10,766,000	$ 9,709,000

Supplies

The Corporation states supply inventories at the lower of cost, determined using the first-in, first-out method, or net realizable value.

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.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	20 – 50 years
Leasehold improvements	5 – 25 years
Equipment	1 – 20 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

The Corporation 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.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation 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 the Corporation in perpetuity.

Net Patient Service Revenue

The Corporation has agreements with third-party payers that provide for payments to the Corporation at amounts different from its 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.

Fixed Prospective Revenue

Beginning January 1, 2018, the Corporation began to receive monthly fixed prospective payments for services provided by hospitals and hospital-owned physician practices participating in the Vermont Medicaid next Generation Accountable Care Organization (ACO) Pilot Program. This is a monthly, per member payment received in advance of the services being performed and is recognized as revenue in the month to which it relates.

Medicaid fee-for service payments continue for all other nonhospital providers in the ACO, for all providers who are not part of the ACO, and for all services that are not in the fixed prospective payment. The ACO is responsible for both the cost and the quality of care for each attributed member, regardless of individual member's utilization. SVMC is subject to an annual contracted maximum risk corridor, of which for calendar 2018 is a maximum potential gain or loss of $550,000. As of September 30, 2018, SVMC has recorded a liability of $412,497, which is recorded within estimated amounts due to third-party payers.

Charity Care

The Corporation provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Corporation 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. At September 30, 2018, a donor has promised a $5,000,000 conditional gift, contingent upon donor approval of signage and completion of an emergency room project within three years of the gift date. No amounts related to this contribution have been recognized on the consolidated financial statements as of September 30, 2018.

Professional Liability Claims

The Corporation 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 7*.

Government Grants

Support funded by grants is recognized as the Corporation performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as the result of such audit, adjustments could be required.

Income Taxes

SVHC, SVMC, MAHC, SVHCA, the Foundation, SVHCNY, Twin Rivers, NBM and CNR have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, these entities are subject to federal income tax on any unrelated business taxable income.

SVHCE accounts for income taxes in accordance with income tax accounting guidance (ASC Topic 740, *Income Taxes*).

Self-Insurance

The Corporation records estimated liabilities for self-insurance costs for employee health insurance and workers' compensation insurance. These liabilities include an estimate of the ultimate costs for both reported claims and claims incurred but not reported. The Corporation has purchased insurance that limits its exposure for individual health claims that exceed $250,000, up to an aggregate of $1,000,000, which is contingent upon individual health claims reaching 125 percent of annual projected claims. The Corporation has also purchased insurance for workers' compensation claims that exceed $200,000 up to an aggregate of $800,000, annually.

Excess of Revenues Over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include permanent transfers to and from affiliates for other than goods and services, 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) and defined benefit pension plan changes.

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.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Corporation recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

During the years ended September 30, 2018 and 2017, the Corporation has recorded revenue of approximately $187,000 and $285,000, respectively, which is included in other revenue within operating revenues in the consolidated statements of operations.

Note 2: Net Patient Service Revenue

The Corporation 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, the Corporation recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the consolidated statement of operations as a component of net patient service revenue.

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

Medicare. Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity. Certain outpatient costs are paid based on a cost reimbursement methodology. The Corporation is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare administrative contractor. SVMC is designated as a Sole Community hospital "SCH" and a Rural Referral Center by CMS.

Medicaid. Inpatient, outpatient 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.

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Corporation 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 uncollectible accounts), recognized in the years ended September 30, 2018 and 2017, was approximately:

	2018	2017
Medicare	$ 68,981,000	$ 63,187,000
Medicaid	19,928,000	23,016,000
Blue Cross	46,800,000	46,792,000
Other third-party payers	39,251,000	32,058,000
Self-pay	5,353,000	5,606,000
	$ 180,313,000	$ 170,659,000

Note 3: Concentration of Credit Risk

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

	2018	2017
Medicare	36%	34%
Medicaid	10%	14%
Blue Cross	15%	15%
Other third-party payers	23%	21%
Self-pay	16%	16%
	100%	100%

Note 4: Investments and Investment Return

Assets Limited as to Use

Assets limited as to use include:

	2018	2017
Cash and short-term investments	$ 1,773,855	$ 2,063,741
Brokered certificate of deposit	815,561	1,300,592
Fixed income mutual funds	458,143	2,480,806
Investment fund – total return strategies	11,029,485	9,836,407
Investment fund – fixed income	5,502,075	1,311,709
Investment fund – equity	4,381,459	3,717,806
Investment fund – defensive equity	8,823,879	8,107,202
Investment fund – Global Absolute Return Strategies	8,052,213	8,182,117
Limited partnership	8,405,464	9,581,499
Equity securities		
Materials	40,101	45,237
Industrials	161,367	186,982
Consumer discretionary	223,323	231,970
Consumer staples	72,549	160,070
Energy	91,649	86,877
Financial institutions	217,838	184,102
Health care	265,881	205,702
Utilities	25,308	24,767
Telecom	5,170	4,998
Information technology	425,651	288,915
Foreign equity mutual funds	16,218,565	17,463,523
Domestic equity mutual funds	7,271,951	6,168,287
Government agency securities	832,099	163,764
Corporate obligations	2,007,611	2,362,296
Balanced mutual funds	91,936	90,513
Investment fund - Treasury Inflation Protected Securities (TIPS)	4,614,624	5,077,227
	$ 81,807,757	$ 79,327,109

Total investment return is comprised of the following:

	2018	2017
Interest and dividend income	$ 914,434	$ 718,279
Net realized and unrealized gains on investments	897,566	4,393,128
Change in fair value of investments accounted for in accordance with Topic 825	382,722	1,956,177
	$ 2,194,722	$ 7,067,584

Total investment return is reflected in the consolidated statements of operations and changes in net assets as follows:

	2018	2017
Other nonoperating income	$ 2,169,463	$ 6,869,903
Temporarily restricted net assets	25,259	197,681
	$ 2,194,722	$ 7,067,584

Alternative Investments

The fair value of alternative investments that have been estimated using the net asset value per share as a practical expedient consist of the following at September 30:

	2018 Fair Value	2017 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment fund (A)	$ 4,614,624	$ 5,077,227	$ -	Daily	2-day written notice
Investment fund (B)	11,029,485	9,836,407	-	Monthly	30-day written notice
Investment fund (C)	-	1,311,709	-	Daily	Daily
Investment fund (D)	4,381,459	3,717,806	-	Daily	Daily
Investment fund (E)	8,823,879	8,107,202	-	Monthly	5-day written notice
Limited Partnership (F)	8,405,464	9,581,499	-	Monthly	15-day written notice
Investment fund (G)	8,052,213	8,182,117	-	Monthly	5-day written notice
Investment fund (H)	5,502,075	-	-	Daily	Daily

(A) This category includes investments in Treasury Inflation-Protected Securities (TIPS).

(B) This category includes investments managed on a total return basis, and is an unconstrained, nonbenchmark oriented investment fund. The funds' composite portfolio includes investments in fixed income corporate obligations, U.S. government and agency fixed income securities and investments in other funds. The fund also invests in convertible preferred stock, warrants, future contracts, forward currency contracts and other investment vehicles.

(C) This category includes investment in U.S. fixed income securities intended to track with the long U.S. fixed income security market index.

(D) This category includes investments in equity securities designed to track with the S&P 500 index.

(E) This category includes investments designed to provide a defensive equity exposure that is expected to provide favorable risk adjusted performance relative to the S&P 500 index over the long-term, and is expected to produce the strongest relative performance when the S&P 500 index is experiencing negative returns.

(F) This category includes a hedge fund used by the Corporation to diversify risk.

(G) This category includes investments managed on a global return basis, and is a U.S. 1-month London Interbank Bid Rate oriented investment fund, seeking to outperform the benchmark by 5 percent per annum. The funds' composite portfolio includes investments in equity, fixed income including exchange traded funds, other securities and pooled investment vehicles.

(H) This category includes investments in other collective investment funds with the objective of approximating performance of the Bloomberg Barclays U.S. Government Bond Index on the long term.

Note 5: Property and Equipment

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

	2018	2017
Land and land improvements	$ 5,262,639	$ 4,440,321
Buildings and leasehold improvements	71,358,392	65,097,465
Equipment	103,210,824	95,045,975
Construction in progress	1,348,788	3,494,492
	181,180,643	168,078,253
Less accumulated depreciation	125,221,524	117,914,553
Property and equipment, net	$ 55,959,119	$ 50,163,700

Construction in progress at September 30, 2018, comprises various construction costs related to healthcare facilities modernization. The estimated remaining cost to complete these projects is $2,560,000, with anticipated completion dates ranging from fall 2018 to fall 2019.

Note 6: Beneficial Interest in Trusts

SVHC is an income beneficiary under a charitable trust administered by an unrelated third-party trustee. The beneficial interest in the assets of this trust is included in the consolidated financial statements as permanently restricted net assets. Income is distributed in accordance with the trust document and is included in temporarily restricted contributions received. The estimated value of the expected future cash flows is $2,212,749 and $2,152,532, which represents the fair value of the trust assets at September 30, 2018 and 2017, respectively. The distributions received from this trust in 2018 and 2017 were approximately $112,000 and $104,000, respectively.

CNR is an income beneficiary under a charitable trust administered by an unrelated third-party trustee. The beneficial interest in the assets of this trust is included in the consolidated financial statements as permanently restricted net assets. Income is distributed in accordance with the trust document and is included in temporarily restricted contributions received. The estimated value of the expected future cash flows is $67,846 and $0, which represents the fair value of the trust assets at September 30, 2018 and 2017, respectively. The distributions received from this trust in 2018 and 2017 were approximately $0.

Note 7: Professional Liability

MAHC, SVMC, SVHCE, SVHC, Twin Rivers, NBM and CNR purchase medical malpractice insurance under a claims-made policy on a fixed premium basis. 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. The Corporation 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 the Corporation's claims experience, an accrual has been made for the Corporation's estimated medical malpractice costs, including costs associated with litigating or settling claims, under its malpractice insurance policy. It is reasonably possible that this estimate could change materially in the near term.

Note 8: Long-Term Debt

	2018	2017
Hospital revenue bonds (A)	$ 7,285,000	$ 7,510,000
Note payable (B)	475,000	-
Facility revenue bonds, Series 1999A (C)	238,900	-
Capital lease obligations (D)	977,014	999,958
Capital lease obligations (E)	1,827,873	2,035,929
Capital lease obligations (F)	1,457,056	1,500,000
	12,260,843	12,045,887
Less current maturities	1,190,617	505,575
Less unamortized debt issuance costs	86,654	91,487
	$ 10,983,572	$ 11,448,825

(A) In March 2008, SVMC entered into an agreement with the Vermont Educational and Health Building Financing Agency (VEHBFA) to issue $8,865,000 of Hospital Revenue Bonds (Southwestern Vermont Medical Center Project) Series 2008A. The bonds bear interest at variable rates based on the daily rate, 1.61 percent and 0.94 percent at September 30, 2018 and 2017, respectively, and mature in various amounts beginning October 1, 2010, through October 1, 2038. The bonds are secured by the gross revenues of SVMC and SVHC (the "Obligated Group"). Unamortized debt issuance costs were $86,654 and $91,487 at September 30, 2018 and 2017, respectively.

The indenture agreement requires the Obligated Group to comply with certain restrictive covenants including maintaining a historical debt-service coverage and days cash on hand requirement.

SVHC maintains a letter-of-credit facility that permits the trustee to draw an amount up to the principal amount outstanding should the bonds not be remarketed and become due. The letter of credit, which expires on March 31, 2020, can be used to pay principal and interest on the 2008 bonds. Amounts drawn under the letter of credit will bear an interest rate of prime plus 2 percent. Scheduled maturities do not change if the letter of credit is drawn upon. The letter of credit is renewable, subject to trustee approval, throughout the term of the Series 2008A Bonds.

(B) A non-revolving line of credit agreement between the Dormitory Authority of the State of New York (DASNY) and CNR. The interest rate on the outstanding balance is 1 percent. The line of credit is secured by certain property. Principal payments of $5,000 were due monthly through July 2018, at which time the remaining payment was due. CNR did not make the required full payment of principal on July 1, 2018, but continued to make monthly payments of $5,000, and has requested DASNY amend the agreement to extend the payment terms. All outstanding amounts due have been included within current maturities of long-term debt on the balance sheet as of September 30, 2018.

(C) Rensselaer County Industrial Development Agency (IDA) Civic Facility Revenues Bonds Series 1999A, with variable monthly principal payments and an interest rate equal to that of the prime rate. The bonds are collateralized by certain property and equipment and all other rights and interest of CNR. The agreement requires that CNR maintain certain restrictive covenants, for which CNR was not in compliance at September 30, 2018. As a result, all outstanding amounts due have been included within current maturities of long-term debt on the balance sheet as of September 30, 2018.

(D) During 2013, the Corporation sold a medical office building to a real estate management company and entered into a capital lease agreement for continued use of the property. This transaction is accounted for as a sale-leaseback arrangement. The lease term is through November 2032, and requires initial annual payments of $127,187, with an increase of 3.5 percent each year. The sale of the property resulted in a gain that is accounted for as deferred revenue to be amortized and recognized over the lease term. The balance of the deferred revenue recorded as other long-term liabilities at September 30, 2018 and 2017, was $561,413 and $600,907, respectively. Approximately $39,000 was recognized during 2018 and 2017.

(E) Various capital lease agreements, which require monthly payments at various interest rates. Agreements are due through 2040, secured by property and equipment.

(F) During 2018, the Corporation sold a medical office building to a real estate management company and entered into a capital lease agreement for continued use of the property. This transaction is accounted for as a sale-leaseback arrangement. The lease term is through September 2032, and requires initial annual payments of $200,655, with an increase of 2.75 percent each year. The sale of the property did not result in any gain or loss, therefore, there is no deferred or recognized revenue or expense recorded for the year ended September 30, 2018.

Property and equipment include the following property under capital leases:

	2018	2017
Property and equipment	$ 9,089,353	$ 9,089,353
Less accumulated depreciation	5,231,734	4,841,334
	$ 3,857,619	$ 4,248,019

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

	Long-Term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2019	$ 948,900	$ 671,246
2020	240,000	629,830
2021	250,000	591,172
2022	260,000	579,577
2023	270,000	580,782
Thereafter	6,030,000	7,818,394
	$ 7,998,900	10,871,001
Less amount representing interest		6,609,058
Present value of future minimum lease payments		4,261,943
Less current maturities		241,717
Noncurrent portion		$ 4,020,226

Note 9: Interest Rate Swap Agreements

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Corporation entered into an interest rate swap agreement for a portion of its floating rate debt. The agreement provides for the Corporation to receive interest from the counterparty at 68 percent of LIBOR and to pay interest to the counterparty at a fixed rate of 3.167 percent on notional amounts of $7,285,000 and $7,510,000 at September 30, 2018 and 2017, respectively. Under the agreement, the Corporation pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, CNR entered into an interest rate swap agreement for a portion of its floating rate debt. The agreement provides for CNR to receive interest from the counterparty at the prime rate and to pay interest to the counterparty at a fixed rate of 6.48 percent on notional amounts of $238,900 and $0 at September 30, 2018 and 2017, respectively. Under the agreement, the Corporation pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

Management has not designated the interest rate swap agreements as a hedging instrument. As a result, the agreement is recorded at fair value with subsequent changes in fair value included in excess of revenues over expenses. The fair value of the swaps at September 30, 2018 and 2017, were $(770,117) and $(1,238,408), respectively, and is recorded in long-term liabilities. The change recognized as a component of excess of revenues over expenses at September 30, 2018 and 2017, was $481,554 and $635,822, respectively. Synthetic interest expense related to the swap recognized as a component of excess of revenues over expenses was $148,964 and $209,579 for the years ended September 30, 2018 and 2017, respectively.

Note 10: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purpose or periods:

	2018	2017
Health care services	$ 4,681,648	$ 3,758,889
Other	22,261	25,835
	$ 4,703,909	$ 3,784,724

Permanently restricted net assets are restricted to:

	2018	2017
Investments to be held in perpetuity, the income is unrestricted	$ 9,008,508	$ 8,919,420
Investments to be held in perpetuity, the income is temporarily restricted	2,493,798	2,334,822
	$ 11,502,306	$ 11,254,242

During 2018 and 2017, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of $833,036 and $1,144,611, respectively. During 2018 and 2017, net assets of $32,000 and $81,025, respectively, were released to purchase equipment.

Note 11: Endowment

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

The Corporation'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, the Corporation 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, the Corporation 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 the Corporation 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 the Corporation
7. Investment policies of the Corporation

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

	2018		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 132,874	$ 11,254,242	$ 11,387,116
Investment return and net appreciation	32,372	60,218	92,590
Contributions and reclassifications	97,810	120,000	217,810
Appropriation of endowment assets for expenditure	(183,427)	-	(183,427)
Endowment net assets, end of year	$ 79,629	$ 11,434,460	$ 11,514,089

	2017		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 10,562	$ 11,061,132	$ 11,071,694
Investment return and net appreciation	131,326	92,766	224,092
Contributions	-	100,344	100,344
Appropriation of endowment assets for expenditure	(9,014)	-	(9,014)
Endowment net assets, end of year	$ 132,874	$ 11,254,242	$ 11,387,116

The Corporation 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. Under the Corporation's policies, the primary investment goal is growth in the endowment accounts. The Corporation expects its endowment funds to provide an average rate of return that exceeds benchmark returns indicated for various asset classes. Actual returns in any given year may vary.

To satisfy its long-term rate of return objectives, the Corporation relies on a strategy in which investment returns are achieved through both current yield and capital appreciation (both realized and unrealized). The Corporation invests in a variety of securities to achieve its long-term return objectives within prudent risk constraints.

Note 12: Charity Care

The Corporation provides services without charge or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Charity care is granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines. The estimated cost of charity care, which is estimated based on overall cost to charge ratios, was approximately $795,000 and $957,000 in 2018 and 2017, respectively.

Note 13: Functional Expenses

The Corporation provides health care services primarily to residents within its geographic area. Expenses related to providing these services are as follows:

	2018	2017
Health care services	$ 165,801,598	$ 150,571,394
Fundraising costs	2,490,001	2,607,562
General and administrative	14,413,988	15,289,003
	$ 182,705,587	$ 168,467,959

Note 14: Pension Plans

Defined Benefit Pension Plan

The Corporation participates in a defined benefit pension plan covering all employees who meet the eligibility requirements. The Corporation's funding policy is to make the maximum annual contribution allowable by applicable regulations, plus such amounts as the Corporation may deem to be appropriate from time to time. The Corporation expects to contribute $4,500,000 to the plan in 2019. The plan was frozen effective September 30, 2009.

For the years ended September 30, 2018 and 2017, the Corporation adopted the mortality tables and mortality improvement projection scales that were released during 2018 and 2017, respectively, by the Society of Actuaries which provide updated projections on the life expectancy of participants.

The Corporation uses a September 30 measurement date for the plan. Information about the plan's funded status follows:

	2018	2017
Change in benefit obligations		
Beginning of the year	$ 113,626,296	$ 118,036,679
Interest cost	4,146,029	4,039,683
Actuarial (gain) loss	(7,198,214)	(4,515,369)
Benefits paid	(4,173,697)	(3,934,697)
End of the year	106,400,414	113,626,296
Change in fair value of plan assets		
Beginning of the year	99,130,927	92,530,436
Actual return on plan assets	928,960	6,685,188
Employer contributions	2,950,000	3,850,000
Benefits paid	(4,173,697)	(3,934,697)
End of the year	98,836,190	99,130,927
Funded status at the end of the year (noncurrent liability)	$ (7,564,224)	$ (14,495,369)

The accumulated benefit obligation was $106,400,414 and $113,626,296 for 2018 and 2017, respectively.

Other significant balances and costs are:

	2018	2017
Employer contributions	$ 2,950,000	$ 3,850,000
Benefits paid	4,173,697	3,934,697
Benefit income recorded in excess of revenues over expenses	(1,319,568)	(810,854)

Amounts recognized in unrestricted net assets and not yet recognized as components of net periodic benefit cost consist of a net actuarial loss of $41,152,035 and $43,813,612 at September 30, 2018 and 2017, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	2018	2017
Projected benefit obligation	$ 106,400,414	$ 113,626,296
Accumulated benefit obligation	106,400,414	113,626,296
Fair value of plan assets	98,836,190	99,130,927

	2018	2017
Components of net periodic benefit cost		
Interest cost	$ 4,146,029	$ 4,039,683
Expected return on plan assets	(6,685,100)	(6,244,431)
Amortization of net loss	1,219,503	1,393,894
Net periodic benefit cost	$ (1,319,568)	$ (810,854)

The following amounts have been recognized in the consolidated statements of operations and changes in net assets for the years ended September 30, 2018 and 2017:

	2018	2017
Amounts arising during the period		
Net gain	$ 1,792,074	$ 4,906,126
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	$ 1,219,503	$ 1,393,894

The estimated net loss that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $1,182,635.

Significant assumptions include:

	2018	2017
Weighted average assumptions used to determine benefit obligations		
Discount rate	4.19%	3.72%
Rate of compensation increase	-	-
Weighted average assumptions used to determine benefit costs		
Discount rate	3.72%	3.72%
Expected return on plan assets	6.75%	6.75%
Rate of compensation increase	-	-

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of September 30, 2018:

2019	$ 4,781,539
2020	4,936,276
2021	5,252,853
2022	5,525,821
2023	5,787,071
2024 – 2026	32,108,311

The Corporation has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

The primary objectives of the Corporation's investment policy are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plans' actuarial assumptions, achieve asset returns that are competitive with like institutions employing similar investment strategies and meet expected future benefits. The investment policy is periodically reviewed by the Corporation and a third-party fiduciary.

Defined Benefit Pension Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include commingled cash equivalents and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3. The Level 3 securities include an investment fund. Significant inputs and valuation techniques used in measuring Level 3 fair values include inputs developed using estimates and assumptions which reflect market participants' perspective.

The fair values of the Corporation's pension plan assets at September 30, 2018 and 2017, by asset class are as follows:

		2018 Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
Cash equivalents	$ 438,941	$ 438,941	$ -	$ -	$ -
Investments					
Investment funds – equity	27,355,513	-	-	-	27,355,513
Equity mutual funds	3,170,752	3,170,752	-	-	-
Bond mutual funds	8,459,741	8,459,741	-	-	-
International equity mutual funds	12,055,507	12,055,507	-	-	-
Investment funds – fixed income	10,587,486	-	-	-	10,587,486
Investment fund – defensive equity	4,961,958	-	-	-	4,961,958
Limited partnership	12,370,862	-	-	-	12,370,862
Investment fund – total return strategies	7,891,722	-	-	-	7,891,722
Investment fund – global return strategies	11,543,708	-	-	-	11,543,708
Total	$ 98,836,190	$ 24,124,941	$ -	$ -	$ 74,711,249

		2017 Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
Cash equivalents	$ 851,306	$ 851,306	$ -	$ -	$ -
Investments					
Investment funds – equity	16,696,686	-	-	-	16,696,686
Equity mutual funds	6,738,522	6,738,522	-	-	-
Bond mutual funds	7,297,859	7,297,859	-	-	-
International equity mutual funds	17,037,889	17,037,889	-	-	-
Investment funds – fixed income	9,455,281	-	-	-	9,455,281
Investment fund – defensive equity	9,895,538	-	-	-	9,895,538
Limited partnership	12,622,489	-	-	-	12,622,489
Investment fund – total return strategies	6,757,465	-	-	-	6,757,465
Investment fund – global return strategies	11,777,892	-	-	-	11,777,892
Total	$ 99,130,927	$ 31,925,576	$ -	$ -	$ 67,205,351

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

Defined Contribution Pension Plan

The Corporation has a defined contribution 403(b) pension plan covering substantially all employees. The Corporation matches the first 3 percent of employee compensation plus 50 percent of employee contributions between 3 percent and 5 percent. The Corporation also provides a 2.5 percent salary contribution to a select group of employees within the Corporation. Defined contribution pension expense for 2018 and 2017 was approximately $1,600,000 and $1,700,000, respectively, for this plan.

Deferred Compensation Plans

SVHC funds a deferred compensation plan for the benefit of certain physicians and senior executives. The trust account assets are classified as other assets and a corresponding deferred compensation obligation is recorded in the amount of $1,082,867 and $1,004,349 at September 30, 2018 and 2017, respectively.

SVMC also funds a deferred compensation plan for the benefit of certain employees. A deferred compensation obligation is recorded in the amount of $840,907 and $618,871 at September 30, 2018 and 2017, respectively.

Note 15: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The Corporation's conditional asset retirement obligations primarily relate to asbestos contained in buildings that the Corporation owns. Environmental regulations exist that require the Corporation to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. A liability of $1,190,238 and $1,175,465 has been recognized for all significant known areas containing an ARO at September 30, 2018 and 2017, respectively.

However, there remains a liability that has not been recognized in the accompanying consolidated financial statements because the range of time over which the Corporation may settle is unknown and cannot be reasonably determined. The Corporation will recognize a liability when sufficient information is available to reasonably estimate fair value.

Note 16: Related Parties and Significant Agreements

Dartmouth-Hitchcock Health

Effective July 1, 2012, the Corporation and Dartmouth-Hitchcock Health (DHH) entered into an Affiliation Agreement, and the first common project under this Agreement is the integration of the professional medical services of the Corporation and DHH. The Corporation reimburses DHH for certain professional medical services under a Professional Services Agreement. During 2018 and 2017, the Corporation recognized expense of approximately $27,525,000 and $27,040,000, respectively, to DHH for professional medical services. Under this arrangement, the Corporation continues to provide the physician clinic services as well as bill and collect for these services, and DHH is reimbursed for providing the professional medical staff in accordance with the terms of the Professional Services Agreement. The Corporation has amounts owed to DHH of approximately $6,840,000 and $9,700,000 at September 30, 2018 and 2017, respectively, recorded as accrued expenses on the consolidated balance sheets.

United Health Alliance

SVHC is a member of the United Health Alliance (UHA), a corporation organized for the purpose of providing for health care delivery under a managed care system in and around the Bennington, Vermont, area. SVMC leases space to UHA, provides payroll services and administers employee benefits for UHA. During 2018 and 2017, SVMC charged UHA approximately $1,140,000 and $1,320,000, respectively, for these services. SVMC has other receivables from UHA of approximately $97,000 and $105,000 at September 30, 2018 and 2017, respectively.

UHA charges SVMC for services provided under a hospital service agreement. The total amount charged for these services was approximately $10,000 for 2018 and 2017.

UHA charges Twin Rivers for services provided under a service agreement. The total amount charged for these services was approximately $45,000 and $17,000 for the years ended September 30, 2018 and 2017, respectively.

SVHC pays dues to UHA for continued participation in the managed care system. The total amount charged for these services was approximately $107,000 and $124,000 for 2018 and 2017, respectively.

Note 17: 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 that are supported by little or no market activity and that 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 consolidated 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 Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV [(A)]
September 30, 2018					
Assets					
Investments					
Equities, equity mutual funds and balanced funds	$ 25,111,290	$ 25,111,290	$ -	$ -	$ -
Fixed income securities and mutual funds	4,113,413	458,143	3,655,270	-	-
Alternative investments					
Investment fund – total return strategies	11,029,485	-	-	-	11,029,485
Investment fund – global return strategies	8,052,213	-	-	-	8,052,213
Investment fund – fixed income	5,502,075	-	-	-	5,502,075
Investment fund – equity	4,381,459	-	-	-	4,381,459
Investment fund – defensive equity	8,823,879	-	-	-	8,823,879
Limited partnership	8,405,464	-	-	-	8,405,464
Investment fund – Treasury Inflation Protected Securities (TIPS)	4,614,624	-	-	-	4,614,624
Deferred compensation plan assets (equity and fixed income mutual funds)	1,088,621	1,088,621	-	-	-
Total investments	81,122,523	26,658,054	3,655,270	-	50,809,199
Beneficial interest in perpetual trust	2,280,596	-	2,280,596	-	-
Cash equivalents	1,773,855	1,773,855	-	-	-
Total assets	$ 85,176,974	$ 28,431,909	$ 5,935,866	$ -	$ 50,809,199
Liabilities					
Interest rate swap agreement	$ (4,703,909)	$ -	$ (4,703,909)	$ -	$ -

	Total	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)	Investments Measured at NAV [(A)]
September 30, 2017					
Assets					
Equities, equity mutual funds and balanced funds	$ 25,141,943	$ 25,141,943	$ -	$ -	$ -
Fixed income securities and mutual funds	6,307,458	2,480,806	3,826,652	-	-
Alternative investments					
Investment fund – total return strategies	9,836,407	-	-	-	9,836,407
Investment fund – global return strategies	8,182,117	-	-	-	8,182,117
Investment fund – fixed income	1,311,709	-	-	-	1,311,709
Investment fund – equity	3,717,806	-	-	-	3,717,806
Investment fund – defensive equity	8,107,202	-	-	-	8,107,202
Limited partnership	9,581,499	-	-	-	9,581,499
Investment fund – Treasury Inflation Protected Securities (TIPS)	5,077,227	-	-	-	5,077,227
Deferred compensation plan assets (equity and fixed income mutual funds)	1,009,537	1,009,537	-	-	-
Total investments	78,272,905	28,632,286	3,826,652	-	45,813,967
Beneficial interest in perpetual trust	2,212,750	-	2,212,750	-	-
Cash equivalents	2,063,741	2,063,741	-	-	-
Total assets	$ 82,549,396	$ 30,696,027	$ 6,039,402	-	$ 45,813,967
Liabilities					
Interest rate swap agreement	$ (2,476,816)	$ -	$ (1,238,408)	$ -	$ (1,238,408)

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the consolidated balance sheets.

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.

Cash Equivalents, Investments and Deferred Compensation Plan Assets

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.

Interest Rate Swap Agreement

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

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 agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Note 18: Fair Value Option

As permitted by Topic 825, the Corporation has elected to measure the investment funds and limited partnerships, included in assets limited as to use, at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial position of the Corporation. Total investment funds and limited partnerships at September 30, 2018 and 2017, are $50,809,199 and $45,813,967, respectively.

See *Note 17* for additional disclosures regarding fair value of the consolidated balance sheet line items listed in the preceding paragraph.

Note 19: 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*.

Electronic Health Records Incentive Program

Payments under the program are contingent upon audit determinations by the fiscal intermediary. If issues arise during the audit, it is reasonably possible that events could occur that would change the estimated payment, materially, in the near term.

Self-Insurance Costs

Estimates related to the accrual for self-insured liabilities are described in *Note 1*.

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *7*.

Litigation

In the normal course of business, the Corporation 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 the Corporation's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts.

The Corporation 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.

Asset Retirement Obligation

As discussed in *Note 15*, the Corporation has recorded a liability for its conditional asset retirement obligations related to asbestos abatement. It is reasonably possible that events could occur that would materially change this estimated liability.

Pension Benefit Obligations

The Corporation has a defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Investments

The Corporation 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 consolidated balance sheets.

Admitting Physicians

The Corporation is served by a group of admitting physicians whose patients comprise the majority of the Corporation's net patient service revenue.

Note 20: Acquisition

On February 5, 2018, the Corporation acquired The Center for Nursing and Rehabilitation at Hoosick Falls (CNR), (the "Acquiree") a not-for-profit skilled nursing facility that provides long-term care services in the Hoosick Falls and Rensselaer County communities. The Corporation expects the acquisition will allow it to provide more comprehensive health care services in its current service area and achieve cost savings through elimination of certain duplicative administrative and other functions. The acquisition was accomplished by Southwestern Vermont Healthcare New York, LLC (SVHCNY), becoming the sole member of the Acquiree, and no consideration was or will be transferred for the acquisition.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Recognized amounts of identifiable assets acquired and liabilities assumed		
Current assets	$	1,382,258
Property and equipment		3,902,149
Long-term investments		67,846
Other assets		461,235
Total assets		5,813,488
Current liabilities		2,017,564
Related party liabilities		1,440,530
Long-term debt		1,033,828
Total liabilities		4,491,922
Total identifiable net assets – contribution received	$	1,321,566

Accordingly, an implied contribution to the Corporation from CNR was recorded. The implied contribution of $1,321,566, was reflected within the consolidated financial statements at September 30, 2018, is as follows:

Unrestricted net assets	$	1,135,620
Temporarily restricted net assets		118,100
Permanently restricted net assets		67,846
	$	1,321,566

Acquired current assets include patient accounts receivable recorded at their estimated fair value of $873,688. The amount due for these patient accounts receivable, net of contractual allowances and the portion thereof estimated to be uncollectible was $1,254,781 and $381,093, respectively, at the acquisition date.

CNR contributed revenues of $3,700,456, and a deficiency of revenues over expenses of $1,664,219, and changes in net assets of $521,380 to the Corporation for the period from the acquisition date through September 30, 2018. The following unaudited pro forma summary presents consolidated information of the Corporation as if the acquisition had occurred on October 1, 2017, or October 1, 2016:

	Pro Forma Year Ended September 30, 2018	Pro Forma Year Ended September 30, 2017
Revenue	$ 191,522,872	$ 178,052,914
Excess of revenues over expenses	10,422,178	12,971,248
Change in		
Unrestricted net assets (deficit)	15,639,044	19,030,745
Temporarily restricted net assets	1,037,295	1,514,116
Permanently restricted net assets	315,910	254,540

Note 21: Change in Accounting Principle

In 2018, the Corporation adopted the provisions of ASU 2015-07, Fair Value Measurement (*Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent*). This standard allows a reporting entity to measure the fair value of certain investments using the net asset value per share (or its equivalent) (NAV) as a practical expedient, and eliminates the requirement that these investments be categorized as Level 2 or 3 within the fair value hierarchy. The amendments are shown retrospectively.

In 2018, the Corporation changed its method of accounting for the subsequent measurement of inventory by adopting the provisions of ASU 2015-11, Simplifying the Measurement of Inventory. The new accounting guidance provided for in ASU 2015-11 allows the Corporation to apply a simplified subsequent measurement of inventory. Upon adoption, the Corporation is no longer required to consider replacement cost but only evaluate cost and net realizable value when evaluating the potential impairment of inventory. This change was applied prospectively as of the beginning of the period of adoption.

Note 22: Future Changes in Accounting Principles

Revenue Recognition

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 Corporation has adopted this standard as of October 1, 2018, with a full retrospective transition method. The Corporation expects no significant changes to its previously reported net patient service revenue as a result of this adoption; however, the disclosures within the annual consolidated financial statements will be significantly expanded.

In connection with the revenue recognition accounting standard update above, Financial Accounting Standards Board recently clarified grants and contract guidance for not-for-profit entities. Based upon the updated guidance, the Corporation expects many of its grants to be considered contributions when effective, as commensurate value is not received by the resource provider. The Corporation has adopted this standard as of October 1, 2018.

Presentation of Financial Statements for Not-for-Profit Entities

The Financial Accounting Standards Board recently issued guidance which changes reporting and disclosure requirements for the financial statements of not-for-profit (NFP) entities. The Corporation has adopted this standard as of October 1, 2018. The significant impacts on the financial statements are as follows:

- Previously reported unrestricted, temporarily restricted and permanently restricted net assets will be changed to net assets with donor-imposed restrictions and those without.

- Expenses are reported by both nature and function in one location (either an additional statement or within the footnotes).

- Expanded disclosures regarding liquidity and cash flows available to meet operating expenses for one year from the balance sheet date.

- Amounts and purposes of governing board designations and appropriations as of the end of the period.

Restricted Cash

The Financial Accounting Standards Board clarified its standard related to the presentation of restricted cash on the consolidated statements of cash flows to remove diversity in practice. The Corporation, which presents cash and cash equivalents with restrictions in multiple line items on the consolidated balance sheets, will now report these items as cash and cash equivalents for the consolidated statements of cash flows, and will disclose the location of its the cash and cash equivalents to reconcile the two statements for each period presented. The Corporation has adopted this standard as of October 1, 2018.

Accounting for Leases

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. 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 annual and interim periods beginning after December 15, 2018. The Corporation is evaluating the impact the standard will have on the consolidated financial statements.

Accounting for Financial Instruments – Credit Losses

The Financial Accounting Standards Board amended its standards related to the accounting for credit losses on financial instruments. This amendment introduces new guidance for accounting for credit losses on instruments including trade receivables and finance receivables. The new standard is effective for annual and interim periods beginning after December 15, 2019. The Corporation is in the process of evaluating the impact the amendment will have on the consolidated financial statements.

Note 23: Subsequent Events

Subsequent events have been evaluated through December 11, 2018, which is the date the consolidated financials were issued.

Supplementary Information

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Balance Sheet Information

September 30, 2018

Assets

	SVHC	SVMC	Foundation	NBM	Twin Rivers	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	SVHCNY	SVHC Hoosick Falls	Eliminations	Consolidated
Current Assets														
Cash and cash equivalents	$ 200,922	$ 8,811,592	$ 922,889	$ 64,353	$ 80,337	$ -	$ 10,080,093	$ 195,083	$ 125,643	$ -	$ 17,595	$ 246,313	$ -	$ 10,664,727
Patient accounts receivable, net of allowance – $10,770,000	-	14,607,010	-	102,352	107,250	-	14,816,612	1,780,911	-	-	-	621,649	-	17,219,172
Other receivables	9,416	705,259	264,661	-	-	-	979,336	-	10,918	-	215	815,200	-	1,805,669
Supplies	-	3,218,225	-	-	-	-	3,218,225	34,078	12,868	-	-	32,279	-	3,297,450
Prepaid expenses and other	12,947	1,387,186	12,629	-	16,721	-	1,429,483	34,330	-	-	1,500	290,888	-	1,756,201
Total current assets	223,285	28,729,272	1,200,179	166,705	204,308	-	30,523,749	2,044,402	149,429	-	19,310	2,006,329	-	34,743,219
Assets Limited As To Use														
Internally designated	63,636,053	6,961,813	4,740,652	-	-	(6,961,813)	68,376,705	1,219,540	-	-	-	180,189	(1,219,540)	68,556,894
Externally restricted	-	100,784	13,150,079	-	-	-	13,250,863	-	-	-	-	-	-	13,250,863
	63,636,053	7,062,597	17,890,731	-	-	(6,961,813)	81,627,568	1,219,540	-	-	-	180,189	(1,219,540)	81,807,757
Property and Equipment, At Cost														
Land and land improvements	1,272,006	3,280,124	-	12,925	11,105	-	4,576,160	502,479	-	-	-	184,000	-	5,262,639
Buildings and leasehold improvements	12,354,543	45,711,726	-	373,740	-	-	58,440,009	7,820,349	-	1,100	1,500,000	3,596,934	-	71,358,392
Equipment	895,149	95,921,114	6,997	326,845	324,472	-	97,474,577	2,811,199	11,912	62,093	-	2,851,043	-	103,210,824
Construction in progress	1,500	1,336,051	-	-	-	-	1,337,551	11,237	-	-	-	-	-	1,348,788
	14,523,198	146,249,015	6,997	713,510	335,577	-	161,828,297	11,145,264	11,912	63,193	1,500,000	6,631,977	-	181,180,643
Less accumulated depreciation	9,563,920	106,881,742	1,166	128,977	64,901	-	116,640,706	8,159,523	11,912	62,209	150,000	197,174	-	125,221,524
	4,959,278	39,367,273	5,831	584,533	270,676	-	45,187,591	2,985,741	-	984	1,350,000	6,434,803	-	55,959,119
Due from Affiliates	1,225,880	5,846,288	782,731	-	-	(4,095,566)	3,759,333	19,058	258,851	-	143,778	-	(4,181,020)	-
Other Assets														
Beneficial interest in perpetual trust	-	-	2,212,750	-	-	-	2,212,750	-	-	-	-	67,846	-	2,280,596
Deferred compensation plan assets	1,088,624	-	-	-	-	-	1,088,624	-	-	-	-	-	-	1,088,624
Other	58,533	-	383,199	-	-	-	441,732	-	-	-	-	130,410	-	572,142
	1,147,157	-	2,595,949	-	-	-	3,743,106	-	-	-	-	198,256	-	3,941,362
Total assets	$ 71,191,653	$ 81,005,430	$ 22,475,421	$ 751,238	$ 474,984	$ (11,057,379)	$ 164,841,347	$ 6,268,741	$ 408,280	$ 984	$ 1,513,088	$ 8,819,577	$ (5,400,560)	$ 176,451,457

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Balance Sheet Information

September 30, 2018

Liabilities and Net Assets

	SVHC	SVMC	Foundation	NBM	Twin Rivers	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	SVHCNY	SVHC Hoosick Falls	Eliminations	Consolidated
Current Liabilities														
Current maturities of long-term debt	$ -	$ 428,528	$ -	$ -	$ -	$ -	$ 428,528	$ -	$ -	$ -	$ 45,806	$ 716,283	$ -	$ 1,190,617
Accounts payable	388,579	6,786,591	53,854	16,122	24,000	-	7,269,146	284,341	10,417	-	3,186	998,324	-	8,565,414
Accrued expenses	63,142	13,148,385	248,906	30,694	-	-	13,491,127	670,759	-	-	84,118	783,371	-	15,029,375
Estimated amounts due to third-party payers	-	1,351,414	-	-	-	-	1,351,414	-	-	-	-	137,754	-	1,489,168
Estimated self-insurance costs	41,195	916,418	-	-	-	-	957,613	68,163	-	-	-	-	-	1,025,776
Other	28,295	65,322	-	-	-	-	93,617	63,821	6,874	254	-	-		164,566
Total current liabilities	521,211	22,696,658	302,760	46,816	24,000	-	23,591,445	1,087,084	17,291	254	133,110	2,635,732	-	27,464,916
Long-Term Debt	-	9,568,084	-	-	-	-	9,568,084	-	-	-	1,411,240	4,248	-	10,983,572
Asset Retirement Obligations	-	1,190,238	-	-	-	-	1,190,238	-	-	-	-	-	-	1,190,238
Accrued Pension Liabilities	107,163	7,067,782	-	-	-	-	7,174,945	389,279	-	-	-	-	-	7,564,224
Deferred Compensation	1,082,867	-	-	-	-	-	1,082,867	-	-	-	-	-	-	1,082,867
Due To Affiliates	9,914,372	-	-	617,497	525,510	(11,057,379)	-	524,791	11,406	325,670	204,468	4,334,225	(5,400,560)	-
Interest Rate Swap Agreements	-	767,691	-	-	-	-	767,691	-	-	-	-	2,426	-	770,117
Other Liabilities	567,149	840,906	48,543	-	-	-	1,456,598	-	-	-	-	-	-	1,456,598
Total liabilities	12,192,762	42,131,359	351,303	664,313	549,510	(11,057,379)	44,831,868	2,001,154	28,697	325,924	1,748,818	6,976,631	(5,400,560)	50,512,532
Net Assets														
Unrestricted	58,998,891	38,874,071	6,116,159	86,925	(74,526)	-	104,001,520	4,267,587	379,583	(324,940)	(235,730)	1,644,690	-	109,732,710
Temporarily restricted	-	-	4,573,499	-	-	-	4,573,499	-	-	-	-	130,410	-	4,703,909
Permanently restricted	-	-	11,434,460	-	-	-	11,434,460	-	-	-	-	67,846	-	11,502,306
Total net assets	58,998,891	38,874,071	22,124,118	86,925	(74,526)	-	120,009,479	4,267,587	379,583	(324,940)	(235,730)	1,842,946	-	125,938,925
Total liabilities and net assets	$ 71,191,653	$ 81,005,430	$ 22,475,421	$ 751,238	$ 474,984	$ (11,057,379)	$ 164,841,347	$ 6,268,741	$ 408,280	$ 984	$ 1,513,088	$ 8,819,577	$ (5,400,560)	$ 176,451,457

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Statement of Operations Information

Year Ended September 30, 2018

	SVHC	SVMC	Foundation	NBM	Twin Rivers	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	SVHCNY	SVHC Hoosick Falls	Eliminations	Consolidated
Unrestricted Revenues, Gains and Other Support														
Net patient service revenue	$ -	$ 161,603,261	$ -	$ 950,070	$ 1,761,127	$ (9,178)	$ 164,305,280	$ 12,362,515	$ -	$ -	$ -	$ 3,703,878	$ (58,253)	$ 180,313,420
Provision for uncollectible accounts	-	(5,745,980)	-	11,288	(28,981)	-	(5,763,673)	(243,601)	-	-	-	(144,025)	-	(6,151,299)
Net patient service revenue less provision for uncollectible accounts	-	155,857,281	-	961,358	1,732,146	(9,178)	158,541,607	12,118,914	-	-	-	3,559,853	(58,253)	174,162,121
Fixed prospective revenue	-	5,254,620	-	-	-	-	5,254,620	-	-	-	-	-	-	5,254,620
Other	2,096,387	5,058,630	164,217	26,785	8,690	(1,864,492)	5,490,217	7,177	296,220	-	1,298,184	10,693	(1,441,615)	5,660,876
Net assets released from restrictions used for operations	-	-	833,036	-	-	-	833,036	-	-	-	-	-	-	833,036
Total unrestricted revenues, gains and other support	2,096,387	166,170,531	997,253	988,143	1,740,836	(1,873,670)	170,119,480	12,126,091	296,220	-	1,298,184	3,570,546	(1,499,868)	185,910,653
Expenses and Losses														
Salaries and wages	167,599	49,061,823	811,313	312,740	-	-	50,353,475	7,002,492	94,324	-	736,462	2,659,449	-	60,846,202
Employee benefits	42,086	12,862,405	202,702	76,144	-	-	13,183,337	1,788,402	45,323	-	206,880	564,361	-	15,788,303
Purchased services	-	40,330,260	409,141	602,789	2,290,350	-	43,632,540	1,099,307	107,373	-	8,617	430,773	(1,124,072)	44,154,538
Supplies and other	1,334,109	49,620,407	1,104,461	168,587	587,346	(2,571,761)	50,243,149	2,288,077	169,452	435	123,549	1,383,671	(362,525)	53,845,808
Depreciation and amortization	505,834	6,156,990	466	86,690	43,286	-	6,793,266	294,067	-	235	100,000	185,234	-	7,372,802
Interest	-	524,901	-	-	-	-	524,901	1,113	-	-	157,701	37,429	(23,210)	697,934
Total expenses and losses	2,049,628	158,556,786	2,528,083	1,246,950	2,920,982	(2,571,761)	164,730,668	12,473,458	416,472	670	1,333,209	5,260,917	(1,509,807)	182,705,587
Operating Income (Loss)	46,759	7,613,745	(1,530,830)	(258,807)	(1,180,146)	698,091	5,388,812	(347,367)	(120,252)	(670)	(35,025)	(1,690,371)	9,939	3,205,066
Other Income (Expense)														
Investment return	1,206,631	360,519	593,834	-	-	-	2,160,984	(6,787)	12,149	-	-	3,117	-	2,169,463
Change in fair value of interest rate swap agreements	-	470,717	-	-	-	-	470,717	-	-	-	-	10,837	-	481,554
Contributions	-	1,248,841	1,232,839	-	45	(698,091)	1,783,634	5,934	7,355	-	-	12,198	(9,939)	1,799,182
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	-	-	-	-	-	-	-	-	-	-	-	1,135,620	-	1,135,620
Other	378,227	4,374	(15)	-	-	-	382,586	-	(2,845)	-	-	-	-	379,741
Total other income (expense)	1,584,858	2,084,451	1,826,658	-	45	(698,091)	4,797,921	(853)	16,659	-	-	1,161,772	(9,939)	5,965,560
Excess (Deficiency) of Revenues Over Expenses	1,631,617	9,698,196	295,828	(258,807)	(1,180,101)	-	10,186,733	(348,220)	(103,593)	(670)	(35,025)	(528,599)	-	9,170,626
Net assets released from restriction used for purchase of property and equipment	-	-	32,000	-	-	-	32,000	-	-	-	-	-	-	32,000
Grant received for acquisition of property and equipment	-	-	-	-	-	-	-	-	-	-	-	2,173,289	-	2,173,289
Defined benefit pension costs														
Net gain arising during the period	25,388	1,674,459	-	-	-	-	1,699,847	92,227	-	-	-	-	-	1,792,074
Amortization of net loss included in net periodic pension cost	17,277	1,139,467	-	-	-	-	1,156,744	62,759	-	-	-	-	-	1,219,503
Transfer (to) from affiliates, net	-	(5,282,338)	(32,000)	739,022	1,815,026	-	(2,760,290)	3,000,000	-	-	(239,710)	-	-	-
Increase (Decrease) in Unrestricted Net Assets	$ 1,674,282	$ 7,229,784	$ 295,828	$ 480,215	$ 634,925	$ -	$ 10,315,034	$ 2,806,766	$ (103,593)	$ (670)	$ (274,735)	$ 1,644,690	$ -	$ 14,387,492

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Statement of Changes in Net Assets Information

Year Ended September 30, 2018

	SVHC	SVMC	Foundation	NBM	Twin Rivers	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	SVHCNY	SVHC Hoosick Falls	Eliminations	Consolidated
Unrestricted Net Assets														
Excess (deficiency) of revenues over expenses	$ 1,631,617	$ 9,698,196	$ 295,828	$ (258,807)	$ (1,180,101)	$ -	$ 10,186,733	$ (348,220)	$ (103,593)	$ (670)	$ (35,025)	$ (528,599)	$ -	$ 9,170,626
Net assets released from restriction used for purchase of property and equipment	-	-	32,000	-	-	-	32,000	-	-	-	-	-	-	32,000
Grant income for acquisition of property and equipment	-	-	-	-	-	-	-	-	-	-	-	2,173,289	-	2,173,289
Defined benefit pension costs														
Net loss arising during the period	25,388	1,674,459	-	-	-	-	1,699,847	92,227	-	-	-	-	-	1,792,074
Amortization of net loss included in net periodic pension cost	17,277	1,139,467	-	-	-	-	1,156,744	62,759	-	-	-	-	-	1,219,503
Transfer (to) from affiliates, net	-	(5,282,338)	(32,000)	739,022	1,815,026	-	(2,760,290)	3,000,000	-	-	(239,710)	-	-	-
Increase (decrease) in unrestricted net assets	1,674,282	7,229,784	295,828	480,215	634,925	-	10,315,034	2,806,766	(103,593)	(670)	(274,735)	1,644,690	-	14,387,492
Temporarily Restricted Net Assets														
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	-	-	-	-	-	-	-	-	-	-	-	118,100	-	118,100
Change in interest in net assets of Hoosick Falls Health Center Foundation	-	-	-	-	-	-	-	-	-	-	-	12,310	-	12,310
Contributions received	-	-	1,628,552	-	-	-	1,628,552	-	-	-	-	-	-	1,628,552
Investment return	-	-	25,259	-	-	-	25,259	-	-	-	-	-	-	25,259
Net assets released from restriction	-	-	(865,036)	-	-	-	(865,036)	-	-	-	-	-	-	(865,036)
Increase in temporarily restricted net assets	-	-	788,775	-	-	-	788,775	-	-	-	-	130,410	-	919,185
Permanently Restricted Net Assets														
Contribution of The Center for Nursing and Rehabilitation at Hoosick Falls	-	-	-	-	-	-	-	-	-	-	-	67,846	-	67,846
Contributions received	-	-	120,000	-	-	-	120,000	-	-	-	-	-	-	120,000
Change in beneficial interest in trusts	-	-	60,218	-	-	-	60,218	-	-	-	-	-	-	60,218
Increase in permanently restricted net assets	-	-	180,218	-	-	-	180,218	-	-	-	-	67,846	-	248,064
Change in Net Assets	1,674,282	7,229,784	1,264,821	480,215	634,925	-	11,284,027	2,806,766	(103,593)	(670)	(274,735)	1,842,946	-	15,554,741
Net Assets, Beginning of Year	57,324,609	31,644,287	20,859,297	(393,290)	(709,451)	-	108,725,452	1,460,821	483,176	(324,270)	39,005	-	-	110,384,184
Net Assets, End of Year	$ 58,998,891	$ 38,874,071	$ 22,124,118	$ 86,925	$ (74,526)	$ -	$ 120,009,479	$ 4,267,587	$ 379,583	$ (324,940)	$ (235,730)	$ 1,842,946	$ -	$ 125,938,925