

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**  
Open to Public Inspection

**A** For the 2019 calendar year, or tax year beginning **OCT 1, 2019** and ending **SEP 30, 2020**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Brattleboro Memorial Hospital</b>		<b>D</b> Employer identification number <b>03-0107300</b>
	Doing business as		<b>E</b> Telephone number <b>(802) 257-0341</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>106,196,937.</b>
	<b>17 Belmont Avenue</b>		<b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code <b>Brattleboro, VT 05301</b>		<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>F</b> Name and address of principal officer: <b>Steven Gordon</b> <b>same as C above</b>		If "No," attach a list. (see instructions)	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: <b>www.bmhvt.org</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		<b>L</b> Year of formation: <b>1904</b>	<b>M</b> State of legal domicile: <b>VT</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>To provide health care services on a region-wide basis</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>11</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>7</b>
	<b>5</b> Total number of individuals employed in calendar year 2019 (Part V, line 2a)	<b>5</b>	<b>804</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>119</b>
	<b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 39	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> 1,178,724.	<b>Current Year</b> 20,725,615.
	<b>9</b> Program service revenue (Part VIII, line 2g)	86,496,947.	79,213,594.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,262,260.	699,642.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-111,878.	-212,777.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	88,826,053.	100,426,074.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	94,180.	53,287.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	48,185,348.	52,181,887.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	0.	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	38,528,302.	39,940,242.
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	86,807,830.	92,175,416.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	2,018,223.	8,250,658.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> 80,602,363.	<b>End of Year</b> 101,084,231.
	<b>21</b> Total liabilities (Part X, line 26)	19,766,908.	30,528,630.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	60,835,455.	70,555,601.

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer		Date	
	<b>Andre Bissonette, CFO</b> Type or print name and title			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Joseph R. Byrne</b>	Preparer's signature <b>Joseph R. Byrne</b>	Date <b>08/11/21</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P01289281</b>
	Firm's name <b>Berry Dunn McNeil &amp; Parker, LLC</b>	Firm's EIN <b>01-0523282</b>	Phone no. <b>(207) 775-2387</b>	
	Firm's address <b>PO BOX 1100 Portland, ME 04104-1100</b>			

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: Brattleboro Memorial Hospital will provide community-based quality health services delivered with compassion and respect.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 72,629,246. including grants of \$ 53,287. ) (Revenue \$ 79,213,594. ) Provision of Hospital Care, both inpatient and outpatient services, on a region-wide basis. BMH provided healthcare services to approximately 1,866 inpatients and 151,752 outpatients throughout the year.

Brattleboro Memorial Hospital is a modern, well-equipped and professionally staffed community hospital which has been serving greater Brattleboro and the tri-state area since 1904. Throughout our more than a century of caring for our community, BMH has kept up with medical technology which, in turn, has drawn excellent physicians to our facility. The BMH Medical Staff boasts more than 100 board-certified physicians, active in both primary care and many specialties.

4b (Code: ) (Expenses \$ 970,119. including grants of \$ ) (Revenue \$ ) Charity Care:

The Hospital's charity care program is designed to assist those patients who are either uninsured, underinsured or have limited financial resources that impact their ability to fully pay for their hospital care. Before completing an application for charity care, patients are first asked to investigate whether or not they may be eligible for Medicare, Medicaid, Veteran's Benefits or other governmental or public assistance programs.

The Hospital's qualifications for charity care are as follows:

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

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

4e Total program service expenses 73,599,365.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements, such as political activities, lobbying, and financial reporting.

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

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

**Note:** All Form 990 filers are required to complete Schedule O

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

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

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	X	

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

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

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (11), 1b (7), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

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

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed None
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe on 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 Andre Bissonette - (802) 257-0341 17 Belmont Avenue, Brattleboro, VT 05301

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

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

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Stephen Phillips Board Chair	4.00 1.00	X		X				0.	0.	0.
(2) William Daley Board Vice Chair	1.00 1.00	X		X				0.	0.	0.
(3) Michael Mandracchia Board Secretary	1.00 1.00	X		X				0.	0.	0.
(4) Patty O'Donnell Board Member	1.00 1.00	X						0.	0.	0.
(5) Rhonda Calhoun Board Member	1.00 1.00	X						0.	0.	0.
(6) George Idelkope, M.D. Board Member	1.00 1.00	X					44,706.	0.	0.	0.
(7) Donna McElligott Board Member	1.00 1.00	X					0.	0.	0.	0.
(8) Elizabeth McLarney, M.D. Board Member	40.00 1.00	X					727,954.	0.	63,665.	0.
(9) John V.P. Meyer Board Member	1.00 1.00	X					0.	0.	0.	0.
(10) Tony Blofsam, M.D. Board Member	40.00 1.00	X					227,332.	0.	37,139.	0.
(11) Sarah Swank Board member	1.00 1.00	X					0.	0.	0.	0.
(12) Steven Gordon President & CEO	40.00 2.00			X			0.	346,451.	59,272.	0.
(13) Andre Bissonette CFO	40.00 2.00			X			0.	0.	0.	0.
(14) John Marzinzik Past Interim CFO	40.00 2.00			X			0.	242,529.	0.	0.
(15) Kathleen McGraw Chief Medical Officer	40.00 1.00				X		349,171.	0.	45,675.	0.
(16) Jodi Stack VP Patient Care Services	40.00 1.00				X		190,218.	0.	20,925.	0.
(17) Craig A. Rinder Staff MD Urology	40.00 0.00					X	399,777.	0.	15,458.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Michael Wack Staff MD Ortho	39.00 0.00					X		385,673.	0.	28,487.
(19) Gregory R. Gadowski General Surgeon	40.00 0.00					X		383,745.	0.	40,899.
(20) Stephen H. Fox General Surgeon	40.00 0.00					X		308,544.	0.	49,300.
(21) Aida Avdic Hospitalist	40.00 0.00					X		306,178.	0.	67,255.
<b>1b Subtotal</b>								3,323,298.	588,980.	428,075.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								3,323,298.	588,980.	428,075.

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 **71**

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Cerner Corporation P. O. Box 959156, St. Louis, MO 63195-9156	Computer Services & Support	2,745,662.
Dartmouth-Hitchcock Keene 580-90 Court Street, Keene, NH 03431	Emergency Physician Services	2,687,086.
Medical Solutions P. O. Box 310737, Des Moines, IA 50331-0737	Temporary Staffing	1,616,844.
Southern VT Health Services Corp. 17 Belmont Avenue, Brattleboro, VT 05301	Management Fees	1,319,919.
Anesthesia Physicians of Brattleboro 17 Belmont Avenue, Brattleboro, VT 05301	Physician Services	1,043,522.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **25**



**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>	7,005,419.				
	<b>e</b> Government grants (contributions)	<b>1e</b>	13,578,028.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	142,168.				
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f			20,725,615.			
Program Service Revenue	<b>2 a</b> Patient Service Revenue	<b>Business Code</b>	621400	172,517,298.	172,517,298.		
	<b>b</b> Miscellaneous Revenue		900099	18,050,367.	17,791,790.	258,577.	
	<b>c</b> Meaningful Use Revenue		900099	8,500.	8,500.		
	<b>d</b> Provision for Bad Debt		621400	-2,185,137.	-2,185,137.		
	<b>e</b> Contractual/Char. Adj.		621400	-109177434.	-109177434.		
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f			79,213,594.			
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			517,116.		517,116.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	<b>6a</b>	(i) Real	80,499.			
			(ii) Personal				
	<b>b</b> Less: rental expenses	<b>6b</b>		293,276.			
	<b>c</b> Rental income or (loss)	<b>6c</b>		-212,777.			
	<b>d</b> Net rental income or (loss)			-212,777.		-212,777.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	5,660,113.			
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses	<b>7b</b>		5,477,587.			
<b>c</b> Gain or (loss)	<b>7c</b>		182,526.				
<b>d</b> Net gain or (loss)			182,526.		182,526.		
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>8a</b>						
<b>b</b> Less: direct expenses	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>9a</b>						
<b>b</b> Less: direct expenses	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>						
<b>b</b> Less: cost of goods sold	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory							
Miscellaneous Revenue	<b>11 a</b> _____	<b>Business Code</b>					
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> All other revenue						
	<b>e Total.</b> Add lines 11a-11d						
<b>12 Total revenue.</b> See instructions			100,426,074.	78,955,017.	0.	745,442.	

**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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	53,287.	53,287.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	1,706,785.	1,706,785.		
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	40,003,192.	31,515,759.	8,487,433.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,506,307.	1,184,117.	322,190.	
<b>9</b> Other employee benefits	6,169,112.	4,882,839.	1,286,273.	
<b>10</b> Payroll taxes	2,796,491.	2,225,149.	571,342.	
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management	1,319,999.	430,592.	889,407.	
<b>b</b> Legal	77,094.	250.	76,844.	
<b>c</b> Accounting	86,649.		86,649.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees	66,140.		66,140.	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	14,250,180.	11,208,665.	3,041,515.	
<b>12</b> Advertising and promotion	112,982.	85.	112,897.	
<b>13</b> Office expenses	1,284,082.	867,422.	416,660.	
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy	1,379,931.	1,072,875.	307,056.	
<b>17</b> Travel	125,773.	71,245.	54,528.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest	140,293.	80,130.	60,163.	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	4,108,460.	2,300,322.	1,808,138.	
<b>23</b> Insurance	535,018.	535,018.		
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> <b>Drugs</b>	5,230,180.	5,230,180.		
<b>b</b> <b>Provider Taxes</b>	5,006,382.	5,006,382.		
<b>c</b> <b>Medical Supplies</b>	4,206,515.	4,126,055.	80,460.	
<b>d</b> <b>Other Expenses</b>	2,010,564.	1,102,208.	908,356.	
<b>e</b> All other expenses				
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e	92,175,416.	73,599,365.	18,576,051.	0.
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

		(A)		(B)		
		Beginning of year		End of year		
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	32,880.	<b>1</b>	20,789,148.		
	<b>2</b> Savings and temporary cash investments .....	18,998,152.	<b>2</b>	22,727,144.		
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>			
	<b>4</b> Accounts receivable, net .....	12,281,904.	<b>4</b>	9,254,257.		
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>			
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>			
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>			
	<b>8</b> Inventories for sale or use .....	2,441,469.	<b>8</b>	2,601,993.		
	<b>9</b> Prepaid expenses and deferred charges .....	538,323.	<b>9</b>	224,838.		
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 77,359,894.				
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 53,095,180.	24,745,558.	<b>10c</b>	24,264,714.	
	<b>11</b> Investments - publicly traded securities .....	17,751,546.	<b>11</b>	19,084,844.		
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	887,114.	<b>12</b>	899,193.		
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>			
	<b>14</b> Intangible assets .....	1,750,417.	<b>14</b>	1,238,100.		
	<b>15</b> Other assets. See Part IV, line 11 .....	1,175,000.	<b>15</b>	0.		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	80,602,363.	<b>16</b>	101,084,231.			
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	10,834,118.	<b>17</b>	15,020,016.		
	<b>18</b> Grants payable .....		<b>18</b>			
	<b>19</b> Deferred revenue .....	1,600.	<b>19</b>	287.		
	<b>20</b> Tax-exempt bond liabilities .....	7,376,635.	<b>20</b>	8,108,900.		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>			
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>			
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>			
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....	331,156.	<b>24</b>	0.		
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	1,223,399.	<b>25</b>	7,399,427.		
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	19,766,908.	<b>26</b>	30,528,630.		
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>					
	<b>27</b> Net assets without donor restrictions .....	59,892,964.	<b>27</b>	69,604,253.		
	<b>28</b> Net assets with donor restrictions .....	942,491.	<b>28</b>	951,348.		
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>					
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>			
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>			
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>			
	<b>32</b> Total net assets or fund balances .....	60,835,455.	<b>32</b>	70,555,601.		
	<b>33</b> Total liabilities and net assets/fund balances .....	80,602,363.	<b>33</b>	101,084,231.		

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	100,426,074.
2	Total expenses (must equal Part IX, column (A), line 25)	2	92,175,416.
3	Revenue less expenses. Subtract line 2 from line 1	3	8,250,658.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	60,835,455.
5	Net unrealized gains (losses) on investments	5	1,629,216.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-159,728.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	70,555,601.

**Part XII Financial Statements and Reporting**

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

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....  
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits .....

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

Form 990 (2019)

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

**2019**

Open to Public Inspection

Name of the organization **Brattleboro Memorial Hospital** Employer identification number **03-0107300**

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

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

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

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

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

<b>14</b> Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2018.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2019.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2018.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

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

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

<b>15</b> Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2018 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2019.** 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 - 2018.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

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



**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

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

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

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

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

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

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

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

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

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2019 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
<b>1</b> Distributable amount for 2019 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2019			
<b>a</b> From 2014			
<b>b</b> From 2015			
<b>c</b> From 2016			
<b>d</b> From 2017			
<b>e</b> From 2018			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2019 distributable amount			
<b>i</b> Carryover from 2014 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2019 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2019 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2015			
<b>b</b> Excess from 2016			
<b>c</b> Excess from 2017			
<b>d</b> Excess from 2018			
<b>e</b> Excess from 2019			



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

OMB No. 1545-0047

**2019**

Name of the organization

Brattleboro Memorial Hospital

Employer identification number

03-0107300

Organization type (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

**General Rule**

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

**Special Rules**

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

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

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

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

Name of organization  <b>Brattleboro Memorial Hospital</b>	Employer identification number  <b>03-0107300</b>
------------------------------------------------------------------	---------------------------------------------------------

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	<hr/> <hr/> <hr/>	\$ <u>116,920.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>	<hr/> <hr/> <hr/>	\$ <u>7,005,419.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>	<hr/> <hr/> <hr/>	\$ <u>138,474.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>	<hr/> <hr/> <hr/>	\$ <u>11,407,618.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>	<hr/> <hr/> <hr/>	\$ <u>36,729.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>6</u>	<hr/> <hr/> <hr/>	\$ <u>200,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>Brattleboro Memorial Hospital</b>	Employer identification number  <b>03-0107300</b>
------------------------------------------------------------------	---------------------------------------------------------

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<hr/> <hr/> <hr/>	\$ <u>876,787.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	<hr/> <hr/> <hr/>	\$ <u>11,100.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	<hr/> <hr/> <hr/>	\$ <u>84,317.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	<hr/> <hr/> <hr/>	\$ <u>18,442.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	<hr/> <hr/> <hr/>	\$ <u>13,636.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>Brattleboro Memorial Hospital</b>	Employer identification number  <b>03-0107300</b>
------------------------------------------------------------------	---------------------------------------------------------

**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
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____



Name of organization  <b>Brattleboro Memorial Hospital</b>	Employer identification number  <b>03-0107300</b>
------------------------------------------------------------------	---------------------------------------------------------

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

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

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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2019**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
 ► **Complete if the organization is described below.** ► **Attach to Form 990 or Form 990-EZ.**  
 ► **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

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

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

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

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

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

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

Name of organization <b>Brattleboro Memorial Hospital</b>	Employer identification number <b>03-0107300</b>
--------------------------------------------------------------	-----------------------------------------------------

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ..... ► \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities ..... \_\_\_\_\_

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

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

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2019

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) .....														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) .....														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) .....														
<b>d</b>	Other exempt purpose expenditures .....														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) .....														
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) .....														
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- .....														
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- .....														
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....														

Yes  No

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers? .....		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
<b>c</b> Media advertisements? .....		X	
<b>d</b> Mailings to members, legislators, or the public? .....		X	
<b>e</b> Publications, or published or broadcast statements? .....		X	
<b>f</b> Grants to other organizations for lobbying purposes? .....		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body? .....		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? .....		X	
<b>i</b> Other activities? .....	X		12,951.
<b>j</b> Total. Add lines 1c through 1i .....			12,951.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? .....		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912 .....			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912 .....			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? .....			

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

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

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

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

**Part IV Supplemental Information**

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

**Part II-B, Line 1, Lobbying Activities:**

BMH is a member of the VT Association of Hospitals and Health Systems and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of BMH and other member organizations in furtherance of their exempt purposes. BMH does not directly perform any lobbying activities.

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

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

OMB No. 1545-0047

**2019**  
**Open to Public Inspection**

**Name of the organization** Brattleboro Memorial Hospital **Employer identification number** 03-0107300

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 Preservation of land for public use (for example, recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

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

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

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

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

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

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

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

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

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB 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 FASB 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 FASB 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 make 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 program
  - 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Term endowment  \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                                                                                                                     | Yes    | No |
|---------------------------------------------------------------------------------------------------------------------|--------|----|
| (i) Unrelated organizations                                                                                         | 3a(i)  |    |
| (ii) Related organizations                                                                                          | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		45,499.		45,499.
b Buildings		43,990,564.	27,708,480.	16,282,084.
c Leasehold improvements				
d Equipment		27,737,532.	23,454,158.	4,283,374.
e Other		5,586,299.	1,932,542.	3,653,757.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>24,264,714.</b>

**Part VII Investments - Other Securities.**

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

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

**Part VIII Investments - Program Related.**

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

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

**Part IX Other Assets.**

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

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

**Part X Other Liabilities.**

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>Estimated Third-Party Payor</b>	
(3) <b>Settlements</b>	872,148.
(4) <b>Due to Affiliate</b>	105,689.
(5) <b>Interest Rate Swap</b>	191,397.
(6) <b>Medicare Accelerated Payments</b>	6,230,193.
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	7,399,427.

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 FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

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

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	102,122,698.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	1,629,216.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	305,355.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	1,934,571.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	100,188,127.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	66,140.
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	171,807.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	237,947.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	100,426,074.

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

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

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	92,402,552.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	293,276.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	293,276.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	92,109,276.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	66,140.
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	66,140.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	92,175,416.

**Part XIII Supplemental Information.**

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

**Part XI, Line 2d - Other Adjustments:**

Change in Interest in SVHSC	12,079.
Rental Expenses	293,276.
<b>Total to Schedule D, Part XI, Line 2d</b>	<b>305,355.</b>

**Part XI, Line 4b - Other Adjustments:**

Unrealized Loss on Interest Rate Swap	171,807.
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**Part XII, Line 2d - Other Adjustments:**

Rental Expenses	293,276.
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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2019**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization **Brattleboro Memorial Hospital** Employer identification number **03-0107300**

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

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			970,119.		970,119.	1.05%
<b>b</b> Medicaid (from Worksheet 3, column a)			16218972.	9536521.	6682451.	7.25%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs			17189091.	9536521.	7652570.	8.30%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			2073795.	934,575.	1139220.	1.24%
<b>f</b> Health professions education (from Worksheet 5)			252,543.		252,543.	.27%
<b>g</b> Subsidized health services (from Worksheet 6)						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			53,287.		53,287.	.06%
<b>j Total.</b> Other Benefits			2379625.	934,575.	1445050.	1.57%
<b>k Total.</b> Add lines 7d and 7j			19568716.	10471096.	9097620.	9.87%

**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	1,170,388.
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	585,194.
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	27,392,443.
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6	49,670,426.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7	-22,277,983.
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? .....	9a	X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI .....	9b	X

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 Brattleboro Memorial Hospital, Inc.
17 Belmont Ave.
Brattleboro, VT 05301
www.bmhvt.org
904

Table with columns: Licensed hospital, gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X, X, , , , , X, , Community Hospital, .

**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 Brattleboro Memorial Hospital

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

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....		X
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>www.bmhvt.org/services/community-health-t</u>		
b <input type="checkbox"/> Other website (list url): .....		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>www.bmhvt.org/services/community-health-team/communi</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group Brattleboro Memorial Hospital

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:		
<b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250</u> % and FPG family income limit for eligibility for discounted care of <u>350</u> %		
<b>b</b> <input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b> <input type="checkbox"/> Asset level		
<b>d</b> <input type="checkbox"/> Medical indigency		
<b>e</b> <input checked="" type="checkbox"/> Insurance status		
<b>f</b> <input type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b> Explained the method for applying for financial assistance? .....	<b>X</b>	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b> <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b> <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b> <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>b</b> <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>c</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>d</b> <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b> <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b> <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b> <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2019

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group Brattleboro Memorial Hospital

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

**Policy Relating to Emergency Medical Care**

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

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

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

Name of hospital facility or letter of facility reporting group Brattleboro Memorial Hospital

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

Schedule H (Form 990) 2019



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

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

Brattleboro Memorial Hospital:

Part V, Section B, Line 5: BMH conducted a collaborative CHNA in partnership with Grace Cottage Family Health & Hospital and the Brattleboro Retreat. In October 2017, the Windham County Community Health Needs Assessment Steering Committee formed and began meeting. The Steering Committee was comprised of representatives from BMH, the Brattleboro Retreat, Grace Cottage Family Health & Hospital, and the Brattleboro Office of the VDH. From October 2017 through August 2018, the group met eight times. The data collection process took place from November 2017 through May 2018. The resident surveys were available throughout the month of March 2018.

The Needs Assessment was approved by the Board in December, 2019.

Brattleboro Memorial Hospital:

Part V, Section B, Line 6a: The Hospital's CHNA was conducted in partnership with Grace Cottage Hospital and The Brattleboro Retreat.

Brattleboro Memorial Hospital:

Part V, Section B, Line 11: Brattleboro Memorial Hospital (BMH) completed a Community Health Needs Assessment (CHNA) in 2018. The CHNA revealed five areas of need. They are as follows: Dental Health, Mental Health, Substance Misuse, Obesity, Accessing and Navigating the Healthcare System. BMH has done significant programming around each area identified starting

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

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

with partnering with the United Way to open the Windham County Dental Center to provide dental care for people who were uninsured and underinsured. BMH donated the space at 375 Canal Street for the Dental Center and hired the dentist. In the area of Mental Health, BMH continues to support a FT Psychiatric Nurse Practitioner in the Emergency Department along with an embedded Psychologist in primary care. The Community Health Team is supported by BMH and provides Brief Interventions to SBINS screening for people that identify as needing assistance with mental health and substance use disorder. BMH also participates in several other initiatives to address the mental health need in our community with our community partners. Substance Misuse or Substance Use Disorder (SUD) is addressed in many ways as well. BMH participates in several community initiatives addressing SUD including, COSU (Consortium of Substance Use), RAM (rapid access to medication in the ED), and embedding Turning Point Recovery Coaches in the BMH ED and Inpatient units. BMH also started an opioid task force to reduce MME's in clinician prescribing. Obesity is another area that was identified as needing to be addressed. BMH partners with RiseVT and supports a FT Program manager to work on decreasing childhood obesity with programming in schools and with community partners. BMH also supports the Community Health team with Registered Dietitians and a Health Coach, along with self-management programs for Diabetes prevention. The last area identified with Accessing and Navigating the Healthcare System. BMH continues to support a Centralized Scheduling Department to help patients find primary care. RN Care Coordinators were hired to work in primary care and specialty practices to help patients access the care they need as well.

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

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

Brattleboro Memorial Hospital

Part V, line 16a, FAP website:

[www.bmhvt.org/patient-information/pfs/charityfree\\_care/](http://www.bmhvt.org/patient-information/pfs/charityfree_care/)

Brattleboro Memorial Hospital

Part V, line 16b, FAP Application website:

[www.bmhvt.org/patient-information/pfs/charityfree\\_care/](http://www.bmhvt.org/patient-information/pfs/charityfree_care/)

Brattleboro Memorial Hospital

Part V, line 16c, FAP Plain Language Summary website:

[www.bmhvt.org/patient-information/pfs/charityfree\\_care/](http://www.bmhvt.org/patient-information/pfs/charityfree_care/)



**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 3c:

Brattleboro Memorial Hospital's Free Care program is designed to assist those patients who are either uninsured, underinsured or have limited financial resources that impact their ability to fully pay for their hospital care. When making application for Free Care, patients are first asked to investigate whether or not they may be eligible for Medicare, Medicaid, Veterans' Benefits or other governmental or public assistance programs. Free Care should always be the payor of last resort.

A. Qualifications for Free Care:

1. Free Care is limited to medically necessary services. Patients receiving certain elective services, such as those considered cosmetic, investigational or experimental, are expected to make payment arrangements in advance, as these types of services are not covered by Free Care;

2. Patients' family income must be at or below 250% of the current Federal Poverty Income Guidelines for their family size;

**Part VI** Supplemental Information (Continuation)

3. Patients or their guarantors must complete a Free Care application and provide the hospital with verification of income. Responsible parties may be asked to disclose the identity and amounts of any assets that could be used to pay for medical expenses.

NOTE: Income verification may be waived at the discretion of the Director of Patient Financial Services, particularly in those instances in which patients have subsequently qualified for Medicaid, or are deceased, with no estate;

4. Free Care applications will be processed within two weeks of the date of their receipt in our Business Office;

5. Free Care applies only to those patient accounts still in active Accounts Receivable; no Free Care allowance may be applied against accounts that have been forwarded to a collection agency as Bad Debt.

B. Patients will be notified in writing of their approval or denial status within 30 days of the date of receipt of the application and any required supporting documentation. All accounts written off to Free Care must be approved by the Director of Patient Financial Services or the Vice-President of Finance.

Part I, Line 7:

A cost accounting system was used to calculate the amounts reported in the table. The cost accounting system addresses all patient segments. A cost-to-charge ratio was used.

**Part VI** Supplemental Information (Continuation)

## Part II, Community Building Activities:

1. The director of the Community Health Team participates in community coalitions such as Fit & Health Kid's Coalition, Healthier Communities Coalition. The HCC Coalition, of which the Director of the Community Health Team is a member, has been instrumental in advocating for healthy nutrition, exercise, food security, Farm to School programming & advocating for improving the built environment & town policies to support health & wellness. Many of the health improvement needs identified by & advocated for by the Coalition have been incorporated into the new town plan for Brattleboro. The HCC was recognized for its success & effectiveness. The HCC has conducted Community Healthier Living Index (CHLI) assessments at Green Street School and at BMH. This YMCA tool measures community organization support for physical activity & healthy eating. Mini grant money will be used to implement strategies for improvements in the areas of health nutrition and exercise.

2. Our Director of Nutrition Services supports local agriculture & has been recognized for BMH's level of support. 550 BMH employees benefit from local foods & healthy choices on our breakfast, lunch & dinner menus daily.

## Part III, Line 3:

A simple RCC was utilized to reduce charges to cost. The estimated bad debt that may be eligible for our charity care policy was based on a 50% eligibility rate.

## Part III, Line 4:

**Part VI** Supplemental Information (Continuation)

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.



**Part VI** Supplemental Information (Continuation)

During 2020, the Hospital decreased its estimate from \$5,882,225 to \$4,325,450 in the allowance for doubtful accounts relating to self-pay patients, and during 2019, the Hospital decreased its estimate from \$7,177,617 to \$5,882,225 in the allowance for doubtful accounts relating to self-pay patients. During 2020, self-pay write-offs decreased from \$4,880,584 to \$4,563,974 and during 2019, self-pay write-offs increased from \$3,620,560 to \$4,880,584. The changes resulted from trends experienced in the collection of amounts from self-pay patients with and without insurance. The decrease in the allowance in 2019 was a result of increased write-offs of self-pay balances deemed uncollectible, resulting in an improvement in the aging and balance of self-pay receivables.

## Part III, Line 8:

The Medicare shortfall should be considered a community benefit in its entirety. A cost-to-charge ratio was used.

## Part III, Line 9b:

Patients or their guarantors must complete a Free Care application and provide the hospital with verification of income. Responsible parties may be asked to disclose the identity and amounts of any assets that could be used to pay for medical expenses.

NOTE: Income verification may be waived at the discretion of the Director of Patient Financial Services, particularly in those instances in which patients have subsequently qualified for Medicaid, or are deceased, with no estate.

## Part VI, Line 2:

**Part VI** Supplemental Information (Continuation)

BMH conducted the 2018 Community Health Needs Assessment. The needs assessment addressed health and wellness in Windham County, inclusive of lifestyle, access to care, maternal & child health, illness & death, and injury. Methodology included data analysis, on-line surveys, survey questionnaire distribution at public events, various focus groups, provider surveys and 2 formal Steering Committee meetings. Highest priority issues about healthcare & healthcare access were identified.

Evaluations were given to all participants of the Community Health Needs Assessment. Participants are asked what health & wellness topics they would like to have presented. Each participant developed an implementation plan. These responses are compiled & prioritized. The committee for the calendar uses these priority requests to plan content of future calendars.

Part VI, Line 4:

BMH serves a total service area that includes:

- 22 towns
- A population of 42,869
- Compared to VT/US, residents of the service area tend to be:
  - a. Older
  - b. Similarly well off, especially in the secondary service area
  - c. Less at risk for obesity

The 65+ population will be the fastest growing segment, while the 0-17 and 18-44 age cohorts drop. VT is the second oldest state in the country (after Maine). Median age in the PSA & SSA is higher than Vermont overall & significantly higher than the US median.

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Name of the organization **Brattleboro Memorial Hospital** Employer identification number **03-0107300**

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

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

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

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
The Strolling of the Heifers, Inc. 105 Partridge Road East Dummerston, VT 05346	02-0638820	501(c)(3)	6,000.	0.			Support continuing programs
Boys and Girls Club 17 Flat Street Brattleboro, VT 05301	03-0309528	501(c)(3)	12,150.	0.			Support continuing programs
Groundworks Collaborative, LLC PO Box 370 Brattleboro, VT 05302	03-0267404	501(c)(3)	13,200.	0.			Support continuing programs

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

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

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

Schedule I (Form 990) (2019)

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

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

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

Part I, Line 2:

The Organization makes contributions to small community events and no monitoring is deemed necessary.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2019**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **Brattleboro Memorial Hospital**  
 Employer identification number: **03-0107300**

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>	<b>X</b>	
<b>6b</b>	<b>X</b>	
<b>7</b>	<b>X</b>	
<b>8</b>		<b>X</b>
<b>9</b>		

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

Schedule J (Form 990) 2019

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Elizabeth McLarney, M.D. Board Member	(i)	561,493.	164,949.	1,512.	33,700.	29,965.	791,619.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Tony Blofsam, M.D. Board Member	(i)	224,268.	1,000.	2,064.	12,188.	24,951.	264,471.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Steven Gordon President & CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	328,200.	16,667.	1,584.	31,367.	27,905.	405,723.	0.
(4) John Marzinzik Past Interim CFO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	242,529.	0.	0.	0.	0.	242,529.	0.
(5) Kathleen McGraw Chief Medical Officer	(i)	314,051.	15,000.	20,120.	14,700.	30,975.	394,846.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Jodi Stack VP Patient Care Services	(i)	174,858.	15,000.	360.	10,095.	10,830.	211,143.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Craig A. Rinder Staff MD Urology	(i)	398,193.	0.	1,584.	14,700.	758.	415,235.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Michael Wack Staff MD Ortho	(i)	384,717.	0.	956.	0.	28,487.	414,160.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Gregory R. Gadowski General Surgeon	(i)	382,233.	0.	1,512.	14,000.	26,899.	424,644.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Stephen H. Fox General Surgeon	(i)	307,992.	0.	552.	14,700.	34,600.	357,844.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Aida Avdic Hospitalist	(i)	289,250.	0.	16,928.	14,700.	52,555.	373,433.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

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

**Part I, Line 6:**

Bonuses paid in calendar year 2020 are mostly contractual however the Hospital's net earnings are a minor consideration in the senior leadership bonus amounts.

**Part I, Line 7:**

Bonus payments made to Medical Staff include both qualitative bonuses based on attendance at medical staff meetings and other quality measures and quantitative bonuses based in part on worked Relative Value Units (RVUs) performed in excess of baseline expectations.

**Form 990, Part VII, Line 5:**

Southern Vermont Health Services, a related party, paid Helms & Company, an unrelated third party, for services provided to both Southern Vermont Health Services and Brattleboro Memorial Hospital by John Marzinzik, Past Interim CFO. Southern Vermont Health Services paid \$242,529 to Helms & Company for these services.

**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.

Neither Southern Vermont Health Services or Brattleboro Memorial Hospital are able to discern what amount was paid specifically to Mr. Marzinzik by Helms & Company for services rendered.



**Supplemental Information on Tax-Exempt Bonds**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**  
▶ **Attach to Form 990.** ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization **Brattleboro Memorial Hospital** Employer identification number **03-0107300**

Part I	Bond Issues	See Part VI for Columns (a) and (f) Continuations											
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
								Yes	No	Yes	No	Yes	No
	<b>A</b>	Vermont Educational and Health Building Financing	23-7154467	None	06/01/16	10500000.	Advance refund of previously issued		X		X		X
	<b>B</b>	Vermont Educational and Health Building Financing	23-7154467	None	12/19/19	12500000.	To fund Ron Reed Project		X		X		X
	<b>C</b>												
	<b>D</b>												

Part II	Proceeds									
		A		B		C		D		
	<b>1</b>	Amount of bonds retired	3,965,813.							
	<b>2</b>	Amount of bonds legally defeased								
	<b>3</b>	Total proceeds of issue	10,500,000.		12,500,000.					
	<b>4</b>	Gross proceeds in reserve funds								
	<b>5</b>	Capitalized interest from proceeds								
	<b>6</b>	Proceeds in refunding escrows								
	<b>7</b>	Issuance costs from proceeds	169,085.		200,150.					
	<b>8</b>	Credit enhancement from proceeds								
	<b>9</b>	Working capital expenditures from proceeds								
	<b>10</b>	Capital expenditures from proceeds								
	<b>11</b>	Other spent proceeds	8,067,131.		1,869,551.					
	<b>12</b>	Other unspent proceeds	2,263,784.		10,430,299.					
	<b>13</b>	Year of substantial completion								
			Yes	No	Yes	No	Yes	No	Yes	No
	<b>14</b>	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X			X				
	<b>15</b>	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X		X				
	<b>16</b>	Has the final allocation of proceeds been made?		X		X				
	<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

<b>Part III Private Business Use</b>								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? .....		X		X				
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? .....		X		X				
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X		X				
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X		X				
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? .....								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....								
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....								
<b>6</b> Total of lines 4 and 5 .....								
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X				
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....								
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....	X		X					

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

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
<b>b</b> Name of provider .....	People's United Ban							
<b>c</b> Term of hedge .....	10.0000000							
<b>d</b> Was the hedge superintegrated? .....	<input checked="" type="checkbox"/>							
<b>e</b> Was the hedge terminated? .....		<input checked="" type="checkbox"/>						
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
<b>b</b> Name of provider .....								
<b>c</b> Term of GIC .....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .....								
<b>6</b> Were any gross proceeds invested beyond an available temporary period? .....		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				

	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? .....	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					

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

**Schedule K, Part I, Bond Issues:**

(a) Issuer Name: Vermont Educational and Health Building Financing Agency

(f) Description of Purpose: Advance refund of previously issued bonds

(a) Issuer Name: Vermont Educational and Health Building Financing Agency



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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Joanne Rogers	Family Member of Mi	40,828.	Employment		X
Judith McBean	Family Member of Do	251,710.	Employment		X

**Part V Supplemental Information.**

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

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Joanne Rogers

(b) Relationship Between Interested Person and Organization:

Family Member of Michael Rogers, VP Financial Planning & Treasurer

(c) Amount of Transaction \$ 40,828.

(d) Description of Transaction: Employment

(e) Sharing of Organization Revenues? = No

(a) Name of Person: Judith McBean

(b) Relationship Between Interested Person and Organization:

Family Member of Donna McElligott, Board Member

(c) Amount of Transaction \$ 251,710.

(d) Description of Transaction: Employment

(e) Sharing of Organization Revenues? = No

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

Department of the Treasury  
Internal Revenue Service

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

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

Brattleboro Memorial Hospital

Employer identification number

03-0107300

Form 990, Part III, Line 4b, Program Service Accomplishments:

1. Charity care is limited to medically necessary services. Patients receiving certain elective services, such as those considered cosmetic, investigational or experimental, are expected to make payment arrangements in advance, as these types of services are not covered by the charity care program.

2. The patient's family income must be at or below 300% of the current Federal Poverty Income Guidelines for their applicable family size.

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of the charity care provided during the year ended September 30, 2020:

Equivalent percentage of charity care services to all services  
1.48%

In addition, the Hospital incurs a payment shortfall in the treatment of Medicaid patients. This government program reimburses for medical services at less than the costs incurred to provide those services. In September 30, 2020 and 2019, the Hospital incurred a shortfall of approximately \$8,235,000 and \$10,138,000, respectively, related to

Name of the organization Brattleboro Memorial Hospital	Employer identification number 03-0107300
-----------------------------------------------------------	----------------------------------------------

treating Medicaid patients.

The Hospital also provided other community benefits upon which no monetary value has been placed.

-Offers free smoking cessation classes.

-Collaborates with other community agencies in publishing a community wellness calender twice a year.

Form 990, Part VI, Section A, line 6:

The sole member of the Hospital shall be Southern Vermont Health Services Corporation, a Vermont not-for-profit corporation.

Form 990, Part VI, Section A, line 7a:

The Board of Directors of the Hospital shall consist of eleven persons elected by Southern Vermont Health Service Corporation (sole member) from among membership of the sole member, plus the President and Medical Staff President ex officio but without the power to vote. Directors shall be elected annually by the sole member to hold office for three years and until their successors have been elected and qualified or until thier death or resignation. Elected directors may serve for a maximum of three consective three-year terms.

Form 990, Part VI, Section A, line 7b:

The Board of Directors may not take any of the following actions without the prior approval of Southern Vermont Health Service Corporation (sole member):

a) Adopt any annual or long-term capital or operating budget of the

Name of the organization Brattleboro Memorial Hospital	Employer identification number 03-0107300
-----------------------------------------------------------	----------------------------------------------

Hospital;

b) Authorize the Hospital to enter into any contract or engage in any transaction which is not provided for in an annual or long-term capital or operating budget of the Hospital approved by the sole member, where the amount involved exceeds an amount as determined from time to time by the sole member;

c) Authorize the Hospital to transfer funds or other assets to any other organization or corporation, where the amount involved exceeds an amount as determined from time to time by the sole member;

d) Authorized the Hospital to engage in, or enter into, any transaction involving the borrowing of funds, incurring of debt, and/or guaranteeing, pledging, or collateralizing of any of its assets in connection therewith;

e) Adopt any new, or any changes to the existing, long-range or master plans or the Hospital; or

f) Organize or acquire, or authorize the organization or acquisition of, any subsidiary or affiliate of the Hospital.

Form 990, Part VI, Section B, line 11b:

The role of the Hospital's Finance and Audit Committee includes review of the 990. The Finance and Audit Committee engages the auditors and receives the audit and a complete copy of the Form 990, including all schedules. The Finance and Audit Committee will report to the Board that the 990 review has occurred. The Board accepts The Finance and Audit Committee reports and the 990. All members of the Board will have access to the 990 prior to filing.

Form 990, Part VI, Section B, Line 12c:

Each December, Board Members are required to complete a Conflict of



Name of the organization

Brattleboro Memorial Hospital

Employer identification number

03-0107300

Interest Statement. Beginning FY 2010, these statements were reviewed by outside counsel and reported back to the Board of Directors along with recommendations for action.

Form 990, Part VI, Section B, Line 15:

The Executive Compensation Committee (ECC) of the Board of Directors (BOD) engages an outside compensation consultant to review executive compensation policies, procedures and conduct an independent regional and national market survey for senior leadership positions. The ECC sets the CEO's compensation and reviews the CEO's recommendations for other senior leadership compensation. The actions of the ECC are reviewed and approved by the BOD.

Form 990, Part VI, Section C, Line 19:

Financial statements are published on our website. Our governing documents and conflict of interest policies are not made available to the public.

Form 990, Part IX, Line 11g, Other Fees:

Contract Services & Consultant:

Program service expenses	8,873,760.
Management and general expenses	1,534,291.
Fundraising expenses	0.
Total expenses	10,408,051.

Contract Temp.:

Program service expenses	927,749.
Management and general expenses	0.
Fundraising expenses	0.

Name of the organization Brattleboro Memorial Hospital	Employer identification number 03-0107300
-----------------------------------------------------------	----------------------------------------------

Total expenses 927,749.

Service Contracts:

Program service expenses 1,407,156.

Management and general expenses 1,507,224.

Fundraising expenses 0.

Total expenses 2,914,380.

Total Other Fees on Form 990, Part IX, line 11g, Col A 14,250,180.

Form 990, Part X, Line 10: Land, Buildings, and Equipment

Section 1.263(a)-3(n) Election:

Brattleboro Memorial Hospital

17 Belmont Avenue

Brattleboro, VT 05301

EIN: 03-0107300

Brattleboro Memorial Hospital is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

Form 990, Part XI, line 9, Changes in Net Assets:

Unrealized Loss on Interest Rate Swap -171,807.

Change in Interest in SVHSC 12,079.

Total to Form 990, Part XI, Line 9 -159,728.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

**2019**

Open to Public Inspection

Name of the organization

**Brattleboro Memorial Hospital**

Employer identification number

**03-0107300**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Southern Vermont Health Services Corp. - 22-2564588, 17 Belmont Ave., Brattleboro, VT 05301	Provide Health Management Services	Vermont	501(c)(3)	Line 7	N/A		X

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

Schedule R (Form 990) 2019

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

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

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

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

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

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

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

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

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

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



**Part VII** Supplemental Information

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

Multiple horizontal lines for supplemental information.

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

Department of the Treasury  
Internal Revenue Service

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

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

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

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

<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>Brattleboro Memorial Hospital</b>	Taxpayer identification number (TIN) <b>03-0107300</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>17 Belmont Avenue</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Brattleboro, VT 05301</b>	

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

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

**Andre Bissonette**

- The books are in the care of ▶ **17 Belmont Avenue - Brattleboro, VT 05301**  
Telephone No. ▶ **(802) 257-0341** Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and TINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until **August 16, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning **OCT 1, 2019**, and ending **SEP 30, 2020**.

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

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

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





# Brattleboro Memorial Hospital, Inc.

FINANCIAL STATEMENTS

September 30, 2020 and 2019

With Independent Auditor's Report



**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**September 30, 2020 and 2019**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Brattleboro Memorial Hospital, Inc.

We have audited the accompanying financial statements of Brattleboro Memorial Hospital, Inc. (Hospital), a Vermont not-for-profit corporation and wholly-controlled subsidiary of Southern Vermont Health Services Corporation, which comprise the balance sheets as of September 30, 2020 and 2019, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Hospital's preparation and fair presentation of the 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 Hospital'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 financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brattleboro Memorial Hospital, Inc. as of September 30, 2020 and 2019, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

**Other Matter**

*Change in Accounting Principles*

As discussed in Note 1 to the financial statements, in 2020 the Hospital adopted new accounting guidance, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and FASB ASU No. 2016-18, *Restricted Cash*. Our opinion is not modified with respect to these matters.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
January 11, 2021  
Registration No. 92-0000278

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Balance Sheets**

**September 30, 2020 and 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 20,789,148	\$ 1,786,356
Patient and other accounts receivable, net	9,254,257	12,281,904
Supplies inventory	2,601,993	2,441,469
Other current assets	<u>224,838</u>	<u>1,713,323</u>
Total current assets	<u>32,870,236</u>	<u>18,223,052</u>
Assets limited as to use		
Internally designated	31,448,042	32,903,923
Under bond agreement for capital acquisition	10,311,792	2,036,923
Other investments with donor restrictions	<u>52,154</u>	<u>55,376</u>
Total assets limited as to use	<u>41,811,988</u>	<u>34,996,222</u>
Interest in net assets of Southern Vermont Health Services Corporation (SVHSC)	899,193	887,114
Deferred system development costs, net	1,238,100	1,750,417
Property and equipment, net	<u>24,264,714</u>	<u>24,745,558</u>
Total assets	<u>\$ 101,084,231</u>	<u>\$ 80,602,363</u>

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

## LIABILITIES AND NET ASSETS

	<u>2020</u>	<u>2019</u>
Current liabilities		
Current portion of long-term debt	\$ 975,403	\$ 1,290,012
Accounts payable	8,939,693	3,809,587
Salaries, wages, and payroll taxes payable	563,814	235,440
Accrued retirement plan contribution	1,289,151	1,261,429
Accrued compensated absences	2,787,721	2,572,428
Other accrued expenses	1,439,637	2,955,234
Deferred revenue	287	1,600
Estimated third-party payor settlements	872,148	1,150,000
Medicare accelerated payments	6,230,193	-
Due to affiliate	<u>105,689</u>	<u>53,809</u>
Total current liabilities	<b>23,203,736</b>	13,329,539
Long-term debt, less current portion	<b>7,133,497</b>	6,417,779
Interest rate swap	<u>191,397</u>	<u>19,590</u>
Total liabilities	<u><b>30,528,630</b></u>	<u>19,766,908</u>
Net assets		
Without donor restrictions	<b>69,604,253</b>	59,892,964
With donor restrictions	<u>951,348</u>	<u>942,491</u>
Total net assets	<u><b>70,555,601</b></u>	<u>60,835,455</u>
Total liabilities and net assets	<u><b>\$101,084,231</b></u>	<u>\$ 80,602,363</u>

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**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Statements of Operations**

**Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues, gains, and other support without donor restrictions		
Patient service revenue (net of contractual allowances and discounts)	\$ 63,339,864	\$ 76,495,576
Less provision for bad debts	<u>2,185,137</u>	<u>3,585,192</u>
Net patient service revenue	<b>61,154,727</b>	72,910,384
U.S. Department of Health and Human Services (HHS) stimulus revenue	<b>11,407,618</b>	-
Fixed prospective revenue	<b>15,160,030</b>	10,850,820
Other revenue	<u><b>5,195,545</b></u>	<u>3,884,700</u>
Total revenues, gains, and other support without donor restrictions	<u><b>92,917,920</b></u>	<u>87,645,904</u>
Expenses		
Salaries, wages, and benefits	<b>52,181,888</b>	48,185,348
Supplies and other	<b>15,123,691</b>	15,423,851
Contracted services	<b>15,733,928</b>	14,283,684
Depreciation and amortization	<b>4,216,370</b>	4,201,707
Health care improvement tax	<b>5,006,382</b>	4,742,584
Interest expense	<u><b>140,293</b></u>	<u>138,150</u>
Total expenses	<u><b>92,402,552</b></u>	<u>86,975,324</u>
Operating income	<u><b>515,368</b></u>	<u>670,580</u>
Nonoperating gains (losses)		
Income from investments	<b>636,724</b>	1,197,035
Other nonoperating income	<b>96,369</b>	93,364
Unrealized loss on interest rate swap	<b>(171,807)</b>	(328,009)
Change in net unrealized gains (losses) on investments	<b>1,629,216</b>	(240,274)
Gifts and donations without donor restrictions	<u>-</u>	<u>27,515</u>
Nonoperating gains, net	<u><b>2,190,502</b></u>	<u>749,631</u>
Excess of revenues, gains, other support, and nonoperating gains (losses) over expenses	<b>2,705,870</b>	1,420,211
Net assets transferred from SVHSC for capital expenditures	<u><b>7,005,419</b></u>	<u>32,719</u>
Increase in net assets without donor restrictions	<u><b>\$ 9,711,289</b></u>	<u>\$ 1,452,930</u>

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

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Statements of Changes in Net Assets**

**Years Ended September 30, 2020 and 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balances, October 1, 2018	\$ <u>58,440,034</u>	\$ <u>942,711</u>	\$ <u>59,382,745</u>
Excess of revenues, gains, other support, and nonoperating gains (losses) over expenses	1,420,211	-	1,420,211
Investment loss	-	(2,990)	(2,990)
Change in interest in SVHSC	-	2,770	2,770
Net assets transferred from SVHSC for capital acquisitions	<u>32,719</u>	<u>-</u>	<u>32,719</u>
Change in net assets	<u>1,452,930</u>	<u>(220)</u>	<u>1,452,710</u>
Balances, September 30, 2019	<u>59,892,964</u>	<u>942,491</u>	<u>60,835,455</u>
Excess of revenues, gains, other support, and nonoperating gains (losses) over expenses	2,705,870	-	2,705,870
Investment loss	-	(3,222)	(3,222)
Change in interest in SVHSC	-	12,079	12,079
Net assets transferred from SVHSC for capital acquisitions	<u>7,005,419</u>	<u>-</u>	<u>7,005,419</u>
Change in net assets	<u>9,711,289</u>	<u>8,857</u>	<u>9,720,146</u>
Balances, September 30, 2020	<u>\$ 69,604,253</u>	<u>\$ 951,348</u>	<u>\$ 70,555,601</u>

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



**BRATTLEBORO MEMORIAL HOSPITAL. INC.**

**Statements of Cash Flows**

**Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 9,720,146	\$ 1,452,710
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	4,216,370	4,201,707
Amortization of debt issuance costs, included in interest expense	21,408	15,851
Provision for bad debts	2,185,137	3,585,192
Gain on sale of equipment	-	(757)
Net realized gain on investments	(182,526)	(505,085)
Net unrealized gain (loss) on investments	(1,629,216)	240,274
Unrealized loss on interest rate swap	171,807	328,009
Change in interest in net assets of SVHSC	(12,079)	(2,770)
Net assets transferred from SVHSC for capital acquisition	(7,005,419)	(32,719)
Decrease (increase) in		
Patient and other accounts receivable, net	842,510	(8,314,032)
Supplies inventory	(160,524)	278,747
Other current assets	1,488,485	(1,416,094)
Due from affiliate	-	96,401
Increase (decrease) in		
Accounts payable	4,527,502	(1,109,741)
Accrued salaries, wages and benefits	543,667	(1,417,816)
Due to affiliate	51,880	53,809
Deferred revenue	(1,313)	1,600
Other current liabilities	(1,487,875)	575,205
Medicare accelerated payments	6,230,193	-
Estimated third-party payor settlements	(277,852)	(285,567)
Net cash provided (used) by operating activities	<u>19,242,301</u>	<u>(2,255,076)</u>
Cash flows from investing activities		
Purchase of property and equipment	(2,620,605)	(3,676,392)
Proceeds from sale of equipment	-	21,500
Proceeds from the sale of investments	5,660,113	8,950,358
Purchase of investments	(2,392,490)	(3,828,622)
Net cash provided by investing activities	<u>647,018</u>	<u>1,466,844</u>
Cash flows from financing activities		
Additions to debt issuance costs	(200,000)	-
Net assets transferred from SVHSC for capital acquisition	7,005,419	32,719
Proceeds from issuance of long-term debt	1,869,713	-
Repayments of long-term debt	(1,290,012)	(1,274,005)
Net cash provided (used) by financing activities	<u>7,385,120</u>	<u>(1,241,286)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	27,274,439	(2,029,518)
Cash and cash equivalents and restricted cash, beginning of year	<u>3,878,655</u>	<u>5,908,173</u>
Cash and cash equivalents and restricted cash, end of year	\$ <u>31,153,094</u>	\$ <u>3,878,655</u>
Breakdown of cash and cash equivalents and restricted cash, end of year:		
Cash and cash equivalents	\$ 20,789,148	\$ 1,786,356
Restricted cash included in assets limited as to use	10,363,946	2,092,299
	\$ <u>31,153,094</u>	\$ <u>3,878,655</u>
Supplementary disclosures of cash flow information:		
Cash paid for interest	\$ <u>191,092</u>	\$ <u>263,165</u>

Non-cash transactions:

At September 30, 2020, there were \$602,604 of construction-in-progress additions included in accounts payable.

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

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

### Nature of Business

Brattleboro Memorial Hospital, Inc. (Hospital) is a Vermont not-for-profit hospital. SVHSC, a not-for-profit organization, is the sole corporate member of the Hospital. The Hospital is a provider of healthcare services with facilities in the Brattleboro, Vermont area.

### 1. Summary of Significant Accounting Policies

#### Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows, according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Directors (Board).

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents are held in either demand deposit or highly liquid savings deposit accounts.

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

### **Patient Accounts Receivable**

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2020, the Hospital decreased its estimate from \$5,882,225 to \$4,325,450 in the allowance for doubtful accounts relating to self-pay patients, and during 2019, the Hospital decreased its estimate from \$7,177,617 to \$5,882,225 in the allowance for doubtful accounts relating to self-pay patients. During 2020, self-pay write-offs decreased from \$4,880,584 to \$4,563,974 and during 2019, self-pay write-offs increased from \$3,620,560 to \$4,880,584. The changes resulted from trends experienced in the collection of amounts from self-pay patients with and without insurance. The decrease in the allowance in 2019 was a result of increased write-offs of self-pay balances deemed uncollectible, resulting in an improvement in the aging and balance of self-pay receivables.

### **Supplies Inventory**

Supplies inventory is carried at the lower of cost (determined by the first-in, first-out method) or market.

### **Investments and Investment Income**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues, gains, other support, and nonoperating gains (losses) over expenses unless the income or loss is restricted by donor or law.

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

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

The Hospital has elected the fair value option in FASB ASC 825, *Financial Instruments*, relative to its investments to simplify the presentation of all investment performance activity from investments without donor restrictions within the nonoperating gains (losses) section of the statements of operations.

### **Assets Limited as to Use**

Assets limited as to use primarily consist of assets held by trustees under indenture agreements and designated assets set aside by the Hospital's Board, over which the Board retains control and which it may, at its discretion, subsequently use for other purposes.

### **Donor-Restricted Gifts**

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

### **Property and Equipment**

Property and equipment acquisitions are recorded at cost, or if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

### **Coronavirus Disease (COVID-19)**

In March 2020 the World Health Organization declared COVID-19 a global pandemic and the United States federal government declared COVID-19 a national emergency. The Hospital implemented an emergency response to ensure the safety of its patients, staff and the community. In an effort to reduce the spread of COVID-19 and in response to the urging of the Centers for Disease Control and Prevention and the U.S. Surgeon General, elective and non-urgent care was postponed beginning in mid-March. Additional factors in this decision were the effort to reduce the use of personal protective equipment which was in critically short supply worldwide.

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

The Coronavirus Aid, Relief, and Economic Security Act established the Provider Relief Fund (PRF) to support healthcare providers in the battle against the COVID-19 outbreak. The PRF is being administered by HHS. The Hospital received PRF in the amount of \$11,407,618 during the year ended September 30, 2020. These funds are to be used for qualifying expenses and to cover lost revenue due to COVID-19. The PRF are considered contributions and are recognized as income when qualifying expenditures have been incurred. Management believes the Hospital met the conditions necessary to recognize these contributions in the amount of \$11,407,618 as HHS stimulus revenue as of September 30, 2020. Management believes the position taken is a reasonable interpretation of the rules currently available. Due to the complexity of the reporting requirements and the continued issuance of clarifying guidance, there is at least a reasonable possibility the amount of income recognized related to the lost revenues may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the year that such amounts become known.

In response to the COVID-19 pandemic, the Center for Medicare and Medicaid Services (CMS) made available an accelerated and advance payment program to Medicare providers. The Hospital received \$6,230,193 of accelerated advanced payments during 2020. Under the program, CMS will begin recouping payment from claims payments one year from the date the respective advances were made to the Hospital.

### **Interest Rate Swap**

The Hospital uses an interest rate swap contract to mitigate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap contract has not been designated as a cash flow hedge and thus changes in fair value are included within nonoperating gains (losses).

### **Net Patient Service Revenue**

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates resulted in an increase in net patient service revenue of approximately \$1,059,000 and \$351,000 in 2020 and 2019, respectively.

### **Charity Care**

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

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

### **Fixed Prospective Revenue**

The Hospital is a participant in OneCare Vermont, LLC, a statewide Accountable Care Organization (ACO). Beginning January 1, 2018, the Hospital entered into a risk-bearing arrangement by participating in the Medicare Next Generation Model. Under both the Medicare Next Generation Model program and the Vermont Medicaid program, the Hospital receives monthly fixed prospective payments for services provided to attributed members. The ACO is responsible for both the cost and quality of care for each attributed member. This is true whether that person uses little or no care or whether they require services consistently throughout the year. The Hospital recognizes its share of annual contract settlements as an increase or decrease in fixed prospective revenue.

### **Employee Fringe Benefits**

The Hospital has an "earned time" plan which provides benefits to employees for paid leave hours. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. The Hospital accrues a liability for such paid leave as it is earned. The earned time plan does not cover any contracted employees.

### **Excess of Revenues, Gains, Other Support, and Nonoperating Gains (Losses) Over Expenses**

The statements of operations include excess of revenues, gains, other support, and nonoperating gains (losses) over expenses. Changes in net assets without donor restrictions which are excluded from this measure, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

### **Income Taxes**

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income.

### **Newly Adopted Accounting Pronouncements**

In 2020, the Hospital adopted FASB Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other accounting guidance, and (2) distinguishing between conditional and unconditional contributions. This ASU was adopted by the Hospital for the year ended September 30, 2020. Adoption of the ASU did not have a material impact on the Hospital's financial reporting.

# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

In 2020, the Hospital adopted FASB ASU No. 2016-18, *Restricted Cash*. ASU No. 2016-18 requires an entity to present restricted cash with cash and cash equivalents in the statement of cash flows. The amount of restricted cash reclassified at the beginning of the year ended September 30, 2019 was \$2,080,314.

### Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the 2019 operating income.

### Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, management has considered transactions or events occurring through January 11, 2021, the date the financial statements were available to be issued.

## 2. Community Benefit

The Hospital's charity care program is designed to assist those patients who are either uninsured, underinsured or have limited financial resources that impact their ability to fully pay for their hospital care. Before completing an application for charity care, patients are first asked to investigate whether or not they may be eligible for Medicare, Medicaid, Veteran's Benefits or other governmental or public assistance programs.

The Hospital's qualifications for charity care are as follows:

- Charity care is limited to medically necessary services. Patients receiving certain elective services, such as those considered cosmetic, investigational or experimental, are expected to make payment arrangements in advance, as these types of services are not covered by the charity care program.
- The patient's family income must be at or below 300% of the current Federal Poverty Income Guidelines for their applicable family size.

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of the charity care provided during the years ended September 30:

	<u>2020</u>	<u>2019</u>
Charges foregone, based on established rates	<u>\$ 2,546,000</u>	<u>\$2,423,000</u>
Estimated costs and expenses incurred to provide charity care <sup>1</sup>	<u>\$ 1,364,000</u>	<u>\$1,159,000</u>
Equivalent percentage of charity care services to all services	<u>1.48 %</u>	<u>1.33 %</u>

<sup>1</sup> The cost estimate is based on an overall cost to charge ratio applied to charges written-off as charity care.

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

In addition, the Hospital incurs a payment shortfall in the treatment of Medicaid patients. This government program reimburses for medical services at less than the costs incurred to provide those services. In 2020 and 2019, the Hospital incurred a shortfall of approximately \$8,235,000 and \$10,138,000, respectively, related to treating Medicaid patients.

The Hospital also provided other community benefits upon which no monetary value has been placed.

**3. Patient and Other Accounts Receivable and Net Patient Service Revenue**

**Patient and Other Accounts Receivable**

Patient and other accounts receivable is stated net of contractual allowances and allowance for doubtful accounts and is comprised of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Patient accounts receivable	\$ <b>26,254,735</b>	\$ 31,533,587
Other accounts receivable	<b>853,975</b>	751,413
Contractual allowances	<b>(13,529,003)</b>	(14,120,871)
Allowance for doubtful accounts	<u><b>(4,325,450)</b></u>	<u>(5,882,225)</u>
Patient accounts receivable, net	<u><b>\$ 9,254,257</b></u>	<u>\$ 12,281,904</u>

**Net Patient Service Revenue**

Patient service revenue and contractual and other allowances consisted of the following for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Inpatient services	\$ <b>36,997,650</b>	\$ 39,377,750
Outpatient services	<u><b>135,519,648</b></u>	<u>142,474,280</u>
	<u><b>172,517,298</b></u>	<u>181,852,030</u>
Less (plus):		
Medicare and Medicaid allowances	<b>81,284,977</b>	83,455,541
State disproportionate share	<b>(532,030)</b>	(585,323)
Other contractual allowances	<b>25,878,768</b>	20,062,853
Charity care allowances	<u><b>2,545,719</b></u>	<u>2,423,383</u>
	<u><b>109,177,434</b></u>	<u>105,356,454</u>
Patient service revenue (net of contractual allowances and discounts)	<b>63,339,864</b>	76,495,576
Less provision for bad debts	<u><b>2,185,137</b></u>	<u>3,585,192</u>
Net patient service revenue	<u><b>\$ 61,154,727</b></u>	<u>\$ 72,910,384</u>



# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

The Hospital has agreements with CMS (Medicare) and the State of Vermont Department of Health and Human Services (Medicaid) that provide for payments at amounts different from its established rates. Revenue from the Medicare and Medicaid programs accounted for approximately 52% and 47% of the Hospital's net patient service revenue for the years ended September 30, 2020 and 2019, respectively.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the year ended September 30, 2020 totaled \$63,339,864, of which \$58,950,829 was revenue from third-party payors and \$4,389,035 was revenue from self-pay patients, and during the year ended September 30, 2019 totaled \$76,495,576, of which \$72,231,200 was revenue from third-party payors and \$4,264,376 was revenue from self-pay patients.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known.

A summary of the payment arrangements with major third-party payors follows:

### Medicare

Inpatient acute care services and 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. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2017.

### Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively-determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors and are not subject to retroactive adjustment.

### Other Arrangements

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

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

**4. Availability and Liquidity of Financial Assets**

The Hospital has working capital of \$9,666,500 and \$4,893,513 at September 30, 2020 and 2019, respectively, and average days (based on normal expenditures) cash and cash equivalents on hand of 86 and 8 at September 30, 2020 and 2019, respectively.

The Hospital's goal is to maintain financial assets to meet 30 days of operating expenses (\$7,248,179 and \$6,803,311 at September 30, 2020 and 2019, respectively) and to provide for a reasonable amount of liquidity to meet unexpected needs of the Hospital. The annual operating budget is determined with the goal of generating sufficient net patient service revenue and cash flows to allow the Hospital to be sustainable to support its mission and vision while also adhering to the annual budget parameters mandated by State of Vermont's Green Mountain Care Board.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ <b>20,789,148</b>	\$ 1,786,356
Patient accounts receivable, net	<u>9,254,257</u>	<u>12,281,904</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ <b>30,043,405</b></u>	<u>\$ 14,068,260</u>

At September 30, 2020, cash and cash equivalents include \$6,230,193 specifically related to Medicare Accelerated Payments. This represents 26 days of cash and cash equivalents on hand.

The Hospital has assets limited as to use of \$31,448,042 and \$32,903,923 at September 30, 2020 and 2019, respectively, that are designated assets set aside by the Board primarily for future capital improvements. These assets limited as to use are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

**5. Supplies Inventory**

The major classes of supplies inventory consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Central storeroom	\$ <b>254,414</b>	\$ 211,108
Operating room	<b>1,533,585</b>	1,452,134
Pharmacy	<b>482,491</b>	476,847
340B program retail pharmacy	<b>110,521</b>	90,301
Other	<u>220,982</u>	<u>211,079</u>
	<u>\$ <b>2,601,993</b></u>	<u>\$ 2,441,469</u>

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

**6. Investments**

Investments consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Assets limited as to use internally designated		
Cash and cash equivalents	\$ 12,363,198	\$ 15,152,377
Marketable equity securities	10,369,655	8,693,734
Mutual funds	8,213,652	7,552,139
U.S. Treasury securities	<u>501,537</u>	<u>1,505,673</u>
	\$ <u>31,448,042</u>	\$ <u>32,903,923</u>
Assets limited as to use under bond agreement for capital acquisition		
Cash and cash equivalents	\$ <u>10,311,792</u>	\$ <u>2,036,923</u>
Other investments with donor restrictions		
Cash and cash equivalents	\$ <u>52,154</u>	\$ <u>55,376</u>

Investment income (loss) and gains (losses) on assets limited as to use are comprised of the following:

	<u>2020</u>	<u>2019</u>
Income (loss)		
Interest and dividend income, net of fees		
Assets limited as to use internally designated	\$ 454,198	\$ 691,950
Other investments with donor restrictions	<u>(3,222)</u>	<u>(2,990)</u>
	450,976	688,960
Net realized gain on investments		
Assets limited as to use internally designated	<u>182,526</u>	<u>505,085</u>
Total investment income	\$ <u>633,502</u>	\$ <u>1,194,045</u>
Change in net unrealized gains (losses) on investments		
Assets limited as to use internally designated	\$ <u>1,629,216</u>	\$ <u>(240,274)</u>

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level of the donors' original gift(s) or what the Uniform Prudent Management of Institutional Funds Act may require the Hospital to retain as a fund of perpetual duration (underwater). The Hospital's policy prohibits appropriating amounts from underwater endowment funds. There were no deficiencies of this nature that are reported in net assets with donor restrictions as of September 30, 2020 and 2019.

**7. Property and Equipment**

As of September 30, 2020 and 2019, the cost and accumulated depreciation of depreciable assets by major classes of assets were as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 45,499	\$ 45,499
Land improvements	2,353,172	2,335,937
Building and improvements	43,990,564	41,734,469
Major moveable equipment	27,737,532	26,764,139
Construction-in-progress	<u>3,233,127</u>	<u>3,417,809</u>
	77,359,894	74,297,853
Less accumulated depreciation	<u>53,095,180</u>	<u>49,552,295</u>
	<u>\$ 24,264,714</u>	<u>\$ 24,745,558</u>

Depreciation expense for the years ended September 30, 2020 and 2019 was \$3,704,053 and \$3,689,390, respectively.

**8. Borrowings**

On December 1, 2019, the Hospital entered into a loan agreement with Vermont Educational and Health Buildings Finance Agency issuing a draw down bond not to exceed \$12,500,000 (Brattleboro Memorial Hospital Project 2019 Series A). The draw down bond is held by People's United Muni Finance Corporation. The proceeds are being used to finance the Hospital's capital improvement project. Interest on the bond is based on monthly rates as determined by the loan and trust agreement. Monthly interest payments began February 1, 2020 on the outstanding principal drawn. Semi-annual principal payments due June and December 1st commence on December 1, 2022 and end on December 1, 2049. The draw down bond is collateralized by the assets of the Hospital.

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

As part of the loan agreement, the Hospital was required to deposit funds into an equity account held by People's United Bank for the payment of the Hospital's share of the capital improvement project costs in an amount not less than \$10,000,000. Any balance remaining in the equity account at the completion of the capital improvement project will be returned to the Hospital.

On June 1, 2016, the Hospital entered into a loan agreement with Vermont Educational and Health Buildings Finance Agency issuing \$10,500,000 in direct placement bonds (Brattleboro Memorial Hospital Project 2016 Series A). The bonds are held by Peoples United Bank. The proceeds were used to advance refund the previously issued Series 2008 A bonds, terminate the associated swap agreement, and finance the Hospital's capital expenditures. Interest on the bonds is based on monthly rates as determined by the loan and trust agreement. The Hospital may prepay certain of the bonds according to the terms of the loan and trust agreement. The bonds are collateralized by the assets of the Hospital.

There are various restrictive covenants, which include compliance with certain financial ratios and a detail of events constituting defaults. The Hospital is in compliance with these requirements at September 30, 2020.

Long-term debt consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Series 2019 A bond with variable rate interest (1.32255% at September 30, 2020), payable in monthly installments of interest only through December 1, 2022.	\$ <b>1,869,551</b>	\$ -
Series 2016 A bonds with variable rate interest (0.75149% at September 30, 2020), payable in monthly installments, including interest, of approximately \$92,205 through February 2027.	<b>6,534,187</b>	7,492,882
Unsecured note payable, due in quarterly installments of \$83,162 through September 2020, including interest calculated at 3.5%. Paid in 2020.	<u>-</u>	<u>331,156</u>
Total long-term debt before unamortized bond issuance costs	<b>8,403,738</b>	7,824,038
Less: unamortized bond issuance costs	<u><b>294,838</b></u>	<u>116,247</u>
Total long-term debt	<b>8,108,900</b>	7,707,791
Less current portion	<u><b>975,403</b></u>	<u>1,290,012</u>
Total long-term debt, excluding current portion	<u><b>\$ 7,133,497</b></u>	<u>\$ 6,417,779</u>

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

Maturities for long-term debt in subsequent fiscal years ending September 30 are as follows:

2021 (included in current liabilities)	\$ 975,403
2022	991,900
2023	1,108,877
2024	1,125,794
2025	1,143,284
Thereafter	<u>3,058,480</u>
	<u>\$ 8,403,738</u>

**Interest Rate Swap**

In connection with the issuance of the Series 2016 A Bonds, the Hospital entered into an interest rate swap agreement for ten years for \$10,500,000, or 100% of the original bond issue, to hedge the interest rate risk associated with the Series 2016 A Bonds. The notional amount of the swap will amortize such that it is equal to 100% of the outstanding bond balance. The interest rate swap agreement requires the Hospital to pay a bank, the swap counterparty, a fixed rate of 1.0375% in exchange for the counterparty's payment to the Hospital of a variable rate based on 68% of the one-month USD-LIBOR-BBA rate.

The Hospital is required to include the fair value of the swap in the balance sheet, and annual changes, if any, in the fair value of the swap in the statements of operations. For example, during the term of the swap, the annually calculated value of the swap will be reported as an asset if interest rates increase above those expected on the date the swap was entered into (as an unrealized gain in the statements of operations), which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (as an unrealized loss in the statements of operations) if interest rates decrease below those expected on the date the swap was entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the swap's term. The Hospital retains the right to terminate the swap agreement should the need arise. The Hospital recorded the swap at its liability position of \$191,397 and \$19,590 at September 30, 2020 and 2019, respectively.

**Revolving Line of Credit**

On April 23, 2020, the Hospital entered into a \$10,000,000 revolving line of credit agreement with People's United Bank with an interest rate equal to the One-Month LIBOR rate plus 1.50%, with a floor of 2.50%. The line of credit is collateralized by the gross receipts of the Hospital. The agreement expires on April 22, 2021. At September 30, 2020, there were no amounts outstanding under this agreement.

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

**9. Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2020</u>	<u>2019</u>
Funds with donor restrictions temporary in nature		
Auxiliary programs	\$ 52,154	\$ 55,376
Charity care	82,381	74,850
Other programs	537,771	530,122
Capital acquisition	<u>-</u>	<u>3,101</u>
Total funds maintained with donor restrictions temporary in nature	<u>672,306</u>	<u>663,449</u>
Funds maintained in perpetuity, the income from which is expendable for:		
Medical library	1,202	1,202
Capital	20,000	20,000
Unrestricted purposes	<u>257,840</u>	<u>257,840</u>
Total funds maintained with donor restrictions held in perpetuity	<u>279,042</u>	<u>279,042</u>
Total net assets with donor restrictions	<u>\$ 951,348</u>	<u>\$ 942,491</u>

**10. Functional Expenses**

The statements of operations report certain expense categories that are attributable to both healthcare services and administrative support. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Fringe benefits are allocated based on wages, postage and freight are allocated on the basis of supply costs, and depreciation, interest, utilities and general repairs are allocated based on square footage. Expenses related to healthcare services and administrative support were as follows for the years ended September 30:

<u>2020</u>	<u>Healthcare Services</u>	<u>Administrative Support</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 45,640,287	\$ 6,541,601	\$ 52,181,888
Supplies and other	13,243,740	1,879,951	15,123,691
Contract services	11,639,512	4,094,416	15,733,928
Depreciation and amortization	2,408,232	1,808,138	4,216,370
Health care improvement tax	5,006,382	-	5,006,382
Interest expense	<u>80,130</u>	<u>60,163</u>	<u>140,293</u>
	<u>\$ 78,018,283</u>	<u>\$ 14,384,269</u>	<u>\$ 92,402,552</u>

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

<u>2019</u>	<u>Healthcare Services</u>	<u>Administrative Support</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 42,648,354	\$ 5,536,994	\$ 48,185,348
Supplies and other	13,421,826	2,002,025	15,423,851
Contract services	10,680,377	3,603,307	14,283,684
Depreciation and amortization	2,535,231	1,666,476	4,201,707
Health care improvement tax	4,742,584	-	4,742,584
Interest expense	<u>84,607</u>	<u>53,543</u>	<u>138,150</u>
	<u>\$ 74,112,979</u>	<u>\$ 12,862,345</u>	<u>\$ 86,975,324</u>

**11. Concentrations of Credit Risk**

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	30 %	31 %
Other third-party payors	21	20
Patient	29	21
Blue Cross	9	10
Medicaid	<u>11</u>	<u>18</u>
	<u>100 %</u>	<u>100 %</u>

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts. The Hospital believes it is not exposed to any significant risk on cash and cash equivalents.

**12. Health Care Improvement Tax**

Effective July 1, 1991, a health care improvement tax was imposed on hospitals, nursing homes, and home health agencies as part of a program to upgrade services in Vermont. The State of Vermont pays the Hospital with funds received from the health care improvement trust fund and federal matching funds. Hospitals in Vermont are assessed a certain percentage of net patient service revenue which is determined annually by the General Assembly. The following tax was paid and disproportionate share funds received for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Disproportionate share received	\$ 532,030	\$ 585,323
Medicaid assessment expensed	<u>(5,006,382)</u>	<u>(4,742,584)</u>
	<u>\$ (4,474,352)</u>	<u>\$ (4,157,261)</u>



# BRATTLEBORO MEMORIAL HOSPITAL, INC.

## Notes to Financial Statements

September 30, 2020 and 2019

### 13. Commitments and Contingencies

Self-Funded Insurance Plans - The Hospital is self-insured with respect to healthcare coverage. This coverage is used to provide medical health benefits to its eligible employees and their eligible dependents. An accrual for management's estimate of healthcare claims incurred, but not reported, is included in other accrued expenses in the balance sheets.

Professional Liability Insurance - The Hospital is insured against malpractice loss contingencies under a claims-made insurance policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrence during its term, but reported subsequently, will be uninsured. The Hospital has also created a tail coverage reserve in the event that insurance providers are changed. This reserve was \$677,618 and \$1,015,977 as of September 30, 2020 and 2019, respectively. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. FASB ASC 954-450, *Health Care Entities - Contingencies*, provides clarification to companies in the healthcare industry on the accounting for professional liability and similar insurance. ASC 954-450 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. The Hospital has evaluated its exposure to losses arising from identifiable potential claims and has properly accounted for them in the balance sheets for the years ended September 30, 2020 and 2019.

Litigation - In the normal course of business, the Hospital may be involved in litigation and annual third-party audits. Management, as part of its ongoing risk management, consults with its legal counsel to assess the impact of these matters on the Hospital.

Emergency Department Physician Staffing - The Hospital has an agreement with Dartmouth-Hitchcock Clinic to provide twenty-four hour per day physician staffing for its emergency department. Contract rates are reviewed annually and adjusted, if required, by the mutual consent of both parties. The agreement can be terminated at any time by mutual consent of both parties or by either party with 60-day prior written notification. The agreement renews on an annual basis.

Certificate of Need (CON) Approval - In December 2016, the Hospital filed a CON application with the State of Vermont to build a new four story medical office building to be known as the Ron Reed building, renovate the existing operating room suite and perioperative area, and replace the Hospital's three boilers. The total anticipated cost of the project is approximately \$23 million. In October 2017, the State of Vermont approved the CON application. The Hospital is funding the project using internally designated investments and new tax-exempt borrowings. The Hospital has a construction contract commitment of approximately \$17 million related to the project.

The Hospital has paid or accrued costs of approximately \$3 million for the CON project as of September 30, 2020. The majority of these expenditures are for architect and engineering services. In May 2020, the Hospital completed and placed into service the boiler replacement portion of the CON project in the amount of approximately \$1.6 million.

**BRATTLEBORO MEMORIAL HOSPITAL, INC.**

**Notes to Financial Statements**

**September 30, 2020 and 2019**

Deferred System Development Costs - During 2016, the Hospital entered into an agreement with Cerner Corporation (Cerner) to implement a hospital-wide electronic health record (EHR) system. The Cerner agreement has an initial term of seven years with successive 12-month terms. The costs incurred by the Hospital related to the implementation of the EHR system through June 1, 2017, the date the EHR system was placed in service, have been deferred and are being amortized over the remaining term of the Cerner agreement. Net deferred system development costs as of September 30, 2020 and 2019 were \$1,238,100 and \$1,750,417, respectively. Associated amortization expense was \$512,317 in 2020 and 2019. The following is a schedule of future amortization of deferred system development costs as of September 30, 2020:

2021	\$ 512,317
2022	512,317
2023	<u>213,466</u>
	<u>\$ 1,238,100</u>

The following schedule reflects the Hospital's minimum payments to Cerner under the agreement for future subscription, transaction, and maintenance services as of September 30, 2020:

2021	\$ 772,336
2022	756,096
2023	<u>121,331</u>
	<u>\$ 1,649,763</u>

**14. Related Party Transactions**

The Hospital contracts with SVHSC for management services. The Hospital recorded \$1,319,999 and \$1,023,000 in management service expenses in September 30, 2020 and 2019, respectively. As of September 30, 2020 and 2019, the Hospital had a payable due to SVHSC of \$105,689 and \$53,809, respectively, for amounts owed to SVHSC.

In accordance with FASB ASC 958, the Hospital has recognized an interest in the net assets of SVHSC for assets donated to SVHSC with the Hospital designated as the beneficiary.

**15. Retirement Plans**

The Hospital has a defined contribution plan for active employees to which the Hospital contributes 5% of the annual salary of the participating employee. Plan expense for the years ended September 30, 2020 and 2019 was \$1,398,419 and \$1,414,657, respectively.

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The Hospital also has a defined contribution plan for active employees to which the Hospital contributes a matching contribution. In order to receive the match, employees must meet certain eligibility requirements. The Hospital matches 100% of elective deferrals to a limit based on years of service. Participants must be employed on the last day of the calendar year in order to receive the match. Plan expense for the years ended September 30, 2020 and 2019 was \$178,572 and \$243,678, respectively.

**16. Fair Value Measurement**

FASB ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

	<u>Fair Value Measurements at September 30, 2020</u>		
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Assets:</b>			
Investments			
Cash and short-term investments	\$ 22,727,144	\$ 22,727,144	\$ -
U.S. Treasury securities	501,537	501,537	-
Marketable equity securities	10,369,655	10,369,655	-
Mutual funds	<u>8,213,652</u>	<u>8,213,652</u>	<u>-</u>
Total assets	<u>\$ 41,811,988</u>	<u>\$ 41,811,988</u>	<u>\$ -</u>
<b>Liabilities:</b>			
Interest rate swap	<u>\$ 191,397</u>	<u>\$ -</u>	<u>\$ 191,397</u>

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	<u>Fair Value Measurements at September 30, 2019</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	<u>Total</u>		
<b>Assets:</b>			
Investments			
Cash and short-term investments	\$ 17,244,676	\$ 17,244,676	\$ -
U.S. Treasury obligations and government securities	1,505,673	1,505,673	-
Marketable equity securities	8,693,734	8,693,734	-
Mutual funds	<u>7,552,139</u>	<u>7,552,139</u>	<u>-</u>
Total assets	<u>\$ 34,996,222</u>	<u>\$ 34,996,222</u>	<u>\$ -</u>
<b>Liabilities:</b>			
Interest rate swap	<u>\$ 19,590</u>	<u>\$ -</u>	<u>\$ 19,590</u>

The fair value of Level 2 assets is primarily based on quoted market prices of the underlying or similar instruments, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.