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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization Brattleboro Memorial Hospital	D Employer identification number 03-0107300
	Doing Business As	E Telephone number (802) 257-0341
	Number and street (or P O box if mail is not delivered to street address) 17 Belmont Avenue	Room/suite
	City or town, state or country, and ZIP + 4 Brattleboro, VT 05301	
	F Name and address of principal officer Michael Rogers 17 Belmont Avenue Brattleboro, VT 05301	
H(a) Is this a group return for affiliates? ☐ Yes ☒ No		
H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions)		
H(c) Group exemption number ▶		
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (Insert no) ☐ 4947(a)(1) or ☐ 527		
J Website: ▶ http //www bmhvt org		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1904
		M State of legal domicile VT

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities To provide health care services on a region-wide basis		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	593
6 Total number of volunteers (estimate if necessary)	6	105	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	550,494	298,965
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	57,325,676	58,751,129
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	329,164	265,171
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-172,598	-202,505
		58,032,736	59,112,760
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	28,961,795	31,969,160
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	28,286,548	27,797,062
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	57,248,343	59,766,222
	19 Revenue less expenses Subtract line 18 from line 12	784,393	-653,462
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	56,778,724	57,406,774
	21 Total liabilities (Part X, line 26)	22,321,482	23,788,690
	22 Net assets or fund balances Subtract line 21 from line 20	34,457,242	33,618,084

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

Sign Here	*****		2012-08-14	
	Signature of officer		Date	
Paid Preparer Use Only	Print/Type preparer's name Rachel Williamson CPA		Preparer's signature Rachel Williamson CPA	
	Firm's name ▶ Berry Dunn McNeil & Parker LLC		Date 2012-08-14	
	Firm's address ▶ 1000 Elm Street 15th Floor Manchester, NH 03101		Check if self-employed ☐ PTIN Firm's EIN ▶ Phone no ▶ (603) 669-7337	

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

Part IIIS

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

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?

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 46,066,370 including grants of \$) (Revenue \$ 56,309,129)

Provision of Hospital Care, both inpatient and outpatient services, on a region-wide basis. Approximately 90,176 outpatients and 2,197 inpatients were served 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 \$ 1,379,000 including grants of \$) (Revenue \$ 2,442,000)

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: 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) 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 levels of the charity care provided during the year ended September 30, 2011: Equivalent percentage of charity care services to all services: 2.31%. Number of patients receiving charity care: 4,767. In addition, the Hospital also incurred payment shortfalls in the treatment of Medicare and Medicaid patients. Both of these government programs reimburse for medical services at less than published charges to provide those services. In 2011, the Hospital incurred shortfalls of approximately \$2,918,000 and \$4,397,000 related to treating Medicare and Medicaid patients, respectively. The Hospital also provided many other community benefits upon which no monetary value can be placed, such as: - BMH provides space at no cost to the local non-profit Brattleboro Walk-in Clinic. - Promotes wellness through screening and demonstrations at our annual Health Fair. - Offers free smoking cessation classes. - Collaborates with other community agencies in publishing a community wellness calendar twice a year.

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 47,445,370

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
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>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	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> ☐ Yes ☒ No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	105
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	593
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	11	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. Michael Rogers 17 Belmont Avenue Brattleboro, VT 05301 (802) 257-0341

Part VII

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

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

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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) James F Baker II Past Board Member	1 00	X						0	0	0
(2) Kirsten Beske Chair	1 00	X		X				0	0	0
(3) John M Meyer Vice Chair	1 00	X		X				0	0	0
(4) Carl Lynde Secretary	1 00	X		X				0	0	0
(5) Rick Fleming Board Member	1 00	X						0	0	0
(6) Ben Taggard Board Member	1 00	X						0	0	0
(7) Burton Tepfer MD Board Member	1 00	X						46,935	0	0
(8) Peter Carvell Board Member	1 00	X						0	0	0
(9) Deborah Boyle Board Member	1 00	X						0	0	0
(10) Leslie Morey Board Member	1 00	X						0	0	0
(11) Denise Paasche MD Board Member	1 00	X						4,048	0	0
(12) Barry Beeman Past President & CEO	40 00			X				0	317,531	23,880
(13) Steven Gordon President & CEO	40 00			X				0	0	0
(14) Michael Rogers VP Finance, Treas & CFO	40 00			X				0	184,073	30,452
(15) Mary Morgan VP Quality Services	40 00				X			0	182,090	26,246
(16) Clifford Langweiler MD ER Physician	40 00					X		298,590	0	28,387

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
(17) Teresa Fitzharris-Onyon MD ER Physician	40 00					X		254,142	0	28,798
(18) Chrstopher Schmidt MD Medical Director-Emergency	40 00					X		232,488	0	28,404
(19) Joseph Rosen MD General Surgeon	40 00					X		0	260,206	16,548
(20) Gregory Gadowski MD General Surgeon	40 00					X		0	260,804	18,707
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								836,203	1,204,704	201,422

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶20

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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>	Yes	
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>		No

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		
	(A) Name and business address	(B) Description of services	(C) Compensation
	Southern VT Health Services Corp 17 Belmont Avenue Brattleboro, VT 05301	Management Fees	2,250,000
	Cummings HP Construction CO 5 High Street PO Box 269 Woodsville, NH 03785	General Contractor	1,783,876
	Anesthesia Physicians of Brattleboro 17 Belmont Avenue Brattleboro, VT 05301	Medical Services	650,000
	Mayo Medical Laboratories PO Box 9146 Minneapolis, MN 554809146	Clinical Lab Tests	365,423
	Lauren McClure MD 277 A Borkowski Road Brattleboro, VT 05301	Medical Services	343,821
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶5		

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	134,230		
	e	Government grants (contributions)	1e	164,735		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		298,965		
	Program Service Revenue	2a	Business Code			
		Patient Service Revenue	621400	58,112,993	58,112,993	
b		Cafeteria Sales	722210	317,737	317,737	
c		Other Operating Revenue	900099	126,750	126,750	
d		Miscellaneous Revenue	900099	86,910	86,910	
e		Contract Rebates	900099	65,616	65,616	
f		All other program service revenue		41,123	41,123	
g		Total. Add lines 2a-2f		58,751,129		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		214,136		214,136
	4	Income from investment of tax-exempt bond proceeds . .				
	5	Royalties				
	6a	Gross Rents	(i) Real 255,046	(ii) Personal		
	b	Less rental expenses	457,551			
	c	Rental income or (loss)	-202,505			
	d	Net rental income or (loss)		-202,505		-202,505
	7a	Gross amount from sales of assets other than inventory	(i) Securities 961,635	(ii) Other		
	b	Less cost or other basis and sales expenses	910,600			
	c	Gain or (loss)	51,035			
	d	Net gain or (loss)		51,035		51,035
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events . .				
	9a	Gross income from gaming activities See Part IV, line 19 . .	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities . .				
	10a	Gross sales of inventory, less returns and allowances . .	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory . .				
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See Instructions		59,112,760	58,751,129	0	62,666

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) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	50,983	50,983		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	24,653,279	19,811,427	4,841,852	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,007,441	809,990	197,451	
9	Other employee benefits	4,741,993	3,975,547	766,446	
10	Payroll taxes	1,515,464	1,218,444	297,020	
a	Fees for services (non-employees)				
	Management	2,250,000	252,000	1,998,000	
b	Legal	68,701		68,701	
c	Accounting	69,400		69,400	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	41,235		41,235	
g	Other				
12	Advertising and promotion	226,541	93,306	133,235	
13	Office expenses	2,112,664	1,686,717	425,947	
14	Information technology				
15	Royalties				
16	Occupancy	128,634	127,913	721	
17	Travel	114,966	74,007	40,959	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	278,628	196,941	81,687	
21	Payments to affiliates	11,007		11,007	
22	Depreciation, depletion, and amortization	3,306,728	2,337,275	969,453	
23	Insurance	998,022	998,022		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Drugs	3,430,762	3,430,762		
b	Contract Services & Con	3,408,145	2,976,766	431,379	
c	Provider Taxes	3,088,388	3,088,388		
d	Medical/Surgical Suppli	2,948,869	2,947,593	1,276	
e	Service Contracts	1,566,721	1,104,729	461,992	
f	All other expenses	3,747,651	2,264,560	1,483,091	
25	Total functional expenses. Add lines 1 through 24f	59,766,222	47,445,370	12,320,852	0
26	Joint costs. Check here ☒ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1,303,127	1	99,431
	2	Savings and temporary cash investments			10,700,200	2	8,504,708
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			4,570,934	4	4,927,944
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			1,572,408	8	1,532,236
	9	Prepaid expenses and deferred charges			377,158	9	366,619
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	51,427,274			
	b	Less: accumulated depreciation	10b	28,678,239	23,401,626	10c	22,749,035
	11	Investments—publicly traded securities			14,382,713	11	18,630,246
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			470,558	15	596,555
16	Total assets. Add lines 1 through 15 (must equal line 34)			56,778,724	16	57,406,774	
Liabilities	17	Accounts payable and accrued expenses			6,863,967	17	6,852,333
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			10,640,000	20	10,250,000
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			4,817,515	25	6,686,357
	26	Total liabilities. Add lines 17 through 25			22,321,482	26	23,788,690
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			34,022,445	27	33,161,976
	28	Temporarily restricted net assets			157,179	28	178,520
	29	Permanently restricted net assets			277,618	29	277,588
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			34,457,242	33	33,618,084
34	Total liabilities and net assets/fund balances			56,778,724	34	57,406,774	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	59,112,760
2	Total expenses (must equal Part IX, column (A), line 25)	2	59,766,222
3	Revenue less expenses Subtract line 2 from line 1	3	-653,462
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	34,457,242
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-185,696
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	33,618,084

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separated basis		
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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

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. ► See separate instructions.

OMB No 1545-0047

2010

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 11, 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)

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 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)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

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 that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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—2009. 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

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered “Yes,” to 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,” to 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,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

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

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 expenditures	▶ \$ _____
3	Volunteer hours	_____

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 funtion 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-

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

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>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														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ 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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		
	j Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	24,692
	b If "Yes," enter the amount of any tax incurred under section 4912			
	c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
	d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political 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) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Explanation of Other Lobbying Activities	Part II-B, Line 1i	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," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

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" to Form 990, Part IV, line 6.

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–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 Year
2a	
2b	
2c	
2d	

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

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

5

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

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, 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" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, 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) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 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" to 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 XIV and complete the following table
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to 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 Investment earnings or 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 year end balance held as
- a

Board designated or quasi-endowment ▶
- b

Permanent endowment ▶
- c

Term endowment ▶
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i)

unrelated organizations

(ii)

related organizations
- b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- | | | |
|--------|-----|----|
| | Yes | No |
| 3a(i) | | |
| 3a(ii) | | |
| 3b | | |

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(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		31,039,988	14,503,433	16,536,555
c Leasehold improvements				
d Equipment		18,219,287	13,329,650	4,889,637
e Other		2,122,500	845,156	1,277,344
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				22,749,035

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	159,112,760
2	Total expenses (Form 990, Part IX, column (A), line 25)	259,766,222
3	Excess or (deficit) for the year Subtract line 2 from line 1	3-653,462
4	Net unrealized gains (losses) on investments	4-110,618
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-75,078
9	Total adjustments (net) Add lines 4 - 8	9-185,696
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10-839,158

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	158,874,822
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a-110,618	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d21,695	
e	Add lines 2a through 2d2e-88,923	358,963,745
3	Subtract line 2e from line 1	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a41,235	
b	Other (Describe in Part XIV)4b107,780	
c	Add lines 4a and 4b4c149,015	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)559,112,760	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	159,713,980
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e0	359,713,980
3	Subtract line 2e from line 1	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a41,235	
b	Other (Describe in Part XIV)4b11,007	
c	Add lines 4a and 4b4c52,242	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)559,766,222	

Part XIV Supplemental Information		
Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.		
Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		Unrealized Loss on Interest Rate Swap -96,773 Change in Interest in SVHSC 21,695
Part XII, Line 2d - Other Adjustments		Change in Interest in SVHSC 21,695
Part XII, Line 4b - Other Adjustments		Unrealized Loss on Interest Rate Swap 96,773 Transfer to SVHSC 11,007
Part XIII, Line 4b - Other Adjustments		Transfer to SVHSC 11,007

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Brattleboro Memorial Hospital

Employer identification number
03-0107300

Part I

Financial Assistance and Certain Other Community Benefits at Cost

1a

Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a

1a

Yes

No

b

If "Yes," is it a written policy?

1b

Yes

2

If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

☒ Applied uniformly to all hospitals

☐ Applied uniformly to most hospitals

☐ Generally tailored to individual hospitals

3

Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

a

Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

☐ 100%

☐ 150%

☐ 200%

☒ Other 300.000000000000 %

b

Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

☐ 200%

☐ 250%

☒ 300%

☐ 350%

☐ 400%

☐ Other _____ %

c

If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4

Yes

5a

Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

5a

Yes

b

If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

5b

No

c

If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

5c

6a

Does the organization prepare a community benefit report during the tax year?

6a

No

6b

If "Yes," did the organization make it available to the public?

6b

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			1,290,719		1,290,719	2 160 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			11,658,589	7,261,519	4,397,070	7 360 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			763,689	528,708	234,981	0 390 %
d Total Financial Assistance and Means-Tested Government Programs			13,712,997	7,790,227	5,922,770	9 910 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			12,430		12,430	0 020 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			17,500		17,500	0 030 %
j Total Other Benefits			29,930		29,930	0 050 %
k Total. Add lines 7d and 7j			13,742,927	7,790,227	5,952,700	9 960 %

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

Cat No 50192T

Schedule H (Form 990) 2010

Part II

Community Building Activities during the tax year, and describe in Part VI how its 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	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,753,105
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	438,276
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	12,112,230
6	Enter Medicare allowable costs of care relating to payments on line 5	6	15,030,463
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-2,918,233
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

(list in order of size, measured by total revenue per facility, from largest to smallest)

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

[illegible]

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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

Identifier	ReturnReference	Explanation
		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 300% of the current Federal Poverty Income Guidelines for their family size,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

Identifier	ReturnReference	Explanation
		Part II 1 Health Fair 2 Director DCHHE participates in community coalitions such as Fit & Health Kid's Coalition, Healthier Communities Coalition The HCC coalition, of which the Director of DCHHE, 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 & health eating Mini grant money will be used to implement strategies for improvements in the areas of health nutrition and exercise 3 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

Identifier	ReturnReference	Explanation
		Part III, Line 4 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 25% eligibility rate

Identifier	ReturnReference	Explanation
		Part III, Line 8 The Medicare shortfall should be considered a community benefit in its entirety

Identifier	ReturnReference	Explanation
		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.

Identifier	ReturnReference	Explanation
		Part VI, Line 2 BMH participated in the April 2009 United Way of Windham County Community 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, household random sample telephone survey, 8 focus groups, comments by mail, and 11 key leader interviews. Highest priority issues about healthcare & healthcare access were identified. Evaluations are given to all participants of the Wellness In Windham County series. Participants are asked what health & wellness topics they would like to have presented. These responses are compiled & prioritized. The committee for the calendar uses these priority requests to plan content of future calendars.

Identifier	ReturnReference	Explanation
		Part VI, Line 4 BMH serves a total service area that includes 20 towns A population of 57,600 Compared to VT/US, residents of the service area tend to be Older Similarly well off (MI), especially in the secondary service area Less at risk for obesityService area population was projected to grow slightly between 2005-2010, with more growth in the Secondary Service Area (SSA) However more recent projections suggest a decline in population Windham County was projected to decline by - 2 3% between 2000-2008 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 By 2010 nearly half of all PSA residents will be 45+ Brattleboro area employers, like Vermont employers generally, are small in size The 3 largest employers are C&S Wholesale, Entergy VT, and BMH 11,474 people commute to Brattleboro to work * The unemployment rate for Windham county in the 3rd quarter of 2009 was 6 3% While the "great" recession in Vermont is considered over, the return to economic health and lower unemployment is expected to be slow *Brattleboro Situation Report, 11/2008The VT Department of Health publishes a comprehensive Health Status Report every 5 years The most recent report is dated 2008 County data is compared to goals for VT The indicators for Windham County for 2008 identified the following areas of concern Access to health care - residents without a usual doctor, lack of health insurance Breast, Colon and Cervical Cancer screening rates are worse than in Vermont or less than the healthy Vermonter goal Rates of Injury in Windham County were higher than Vermont in all age groups except 0-9 year olds

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Brattleboro Memorial Hospital

Employer identification number
03-0107300

Part I

Questions Regarding Compensation

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

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 in 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 are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Barry Beeman	(i)	0	0	0	0	0	0	0
	(ii)	238,415	64,827	14,289	13,052	10,828	341,411	0
(2) Michael Rogers	(i)	0	0	0	0	0	0	0
	(ii)	161,572	19,705	2,796	13,397	17,055	214,525	0
(3) Mary Morgan	(i)	0	0	0	0	0	0	0
	(ii)	178,788	7,900	-4,598	9,830	16,416	208,336	0
(4) Clifford Langweiler MD	(i)	293,038	0	5,552	13,016	15,371	326,977	0
	(ii)	0	0	0	0	0	0	0
(5) Teresa Fitzharris-Onyon MD	(i)	245,438	0	8,704	12,250	16,548	282,940	0
	(ii)	0	0	0	0	0	0	0
(6) Christopher Schmidt MD	(i)	230,054	0	2,434	11,882	16,522	260,892	0
	(ii)	0	0	0	0	0	0	0
(7) Joseph Rosen MD	(i)	0	0	0	0	0	0	0
	(ii)	260,206	0	0	0	16,548	276,754	0
(8) Gregory Gadowski MD	(i)	0	0	0	0	0	0	0
	(ii)	260,804	0	0	0	18,707	279,511	0
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Brattleboro Memorial Hospital

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Employer identification number
03-0107300

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Vermont Educational and Health Building Financing Agency	23-7154467	924166BQ 3	02-01-2008	11,180,000	Advance refund of previously issued bonds		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	930,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	11,180,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	145,933							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	11,034,067							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X						

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X							
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b	Name of provider	Duetsche Bank							
c	Term of hedge	15 000000000000							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Brattleboro Memorial Hospital

Employer identification number

03-0107300

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JoAnne Rogers	Spouse of Michael Rogers, VP of Finance, Treasurer & CFO	18,669	JoAnne Rogers works as the gift shop manager for an average of 20 hours per week		No

Part V

Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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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 to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization Brattleboro Memorial Hospital	Employer identification number 03-0107300
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Identifier	Return Reference	Explanation
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

Identifier	Return Reference	Explanation
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 their death or resignation. Elected directors may serve for a maximum of three consecutive three-year terms.

Identifier	Return Reference	Explanation
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 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 of the Hospital, or f) Organize or acquire, or authorize the organization or acquisition of, any subsidiary or affiliate of the Hospital

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The role of the Hospital's Audit Committee includes review of the 990. The Audit Committee engages the auditors and receives the audit and a complete copy of the Form 990, including all schedules. The Audit Committee will report to the Board that the 990 review has occurred. The Board accepts the the Audit Committee reports and the 990. All members of the Board will have access to the 990 prior to filing.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Each December, Board Members are required to complete a Conflict of 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.

Identifier	Return Reference	Explanation
	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.

Identifier	Return Reference	Explanation
	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.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -110,618 Unrealized Loss on Interest Rate Swap Change in Interest in SVHSC

Identifier	Return Reference	Explanation
	Form 990, Part XII, Line 2c	The organization did not changed its oversight or selection during the tax year

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

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 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 organization	
						Yes	No
(1) Southern Vermont Health Services Corp 17 Belmont Ave Brattleboro, VT 05301 22-2564588	Provide Health Management Services	VT	501(c)(3)	Line 7	N/A		No

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) Disproporionate 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

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

Yes

Yes

No

No

No

No

No

No

No

No

Yes

No

No

No

No

No

No

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 other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Southern Vermont Health Services	L	2,250,000	Cash
(2) Southern Vermont Health Services	C	134,230	Cash
(3)			
(4)			
(5)			
(6)			

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

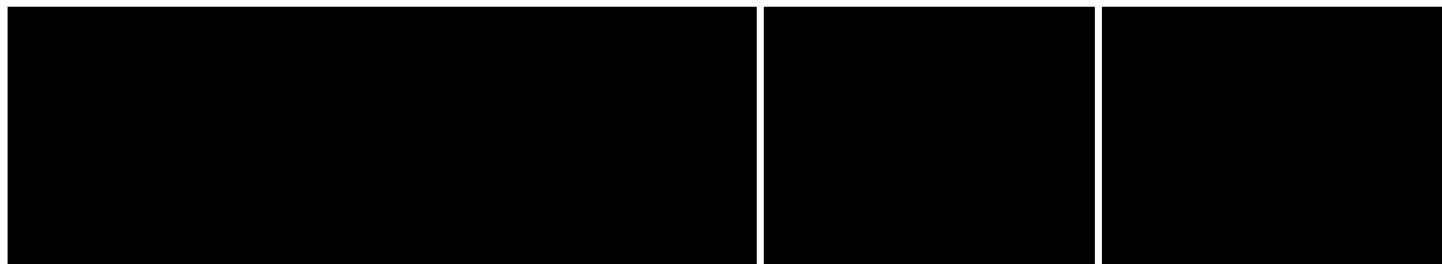
[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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BRATTLEBORO MEMORIAL HOSPITAL

FINANCIAL STATEMENTS

September 30, 2011 and 2010

With Independent Auditors' Report



BRATTLEBORO MEMORIAL HOSPITAL

September 30, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Brattleboro Memorial Hospital

We have audited the accompanying balance sheets of Brattleboro Memorial Hospital (the Hospital), a Vermont not-for-profit corporation and wholly-controlled subsidiary of Southern Vermont Health Services Corporation (SVHSC), as of September 30, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2011 and 2010, and the results of its operations, changes in its net assets, and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 7, 2011
Registration No. 92-000027

BRATTLEBORO MEMORIAL HOSPITAL

Balance Sheets

September 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 1,139,621	\$ 1,467,837
Patient and other accounts receivable, net	4,927,944	4,570,934
Supplies inventory	1,532,236	1,572,408
Other current assets	366,619	377,158
Assets limited as to use for current payment of debt service	405,014	390,000
Due from affiliate	<u>111,117</u>	<u>-</u>
Total current assets	<u>8,482,551</u>	<u>8,378,337</u>
Assets limited as to use		
Investments		
Internally designated	25,596,996	24,435,066
Other temporarily restricted investments	92,754	93,137
Interest in net assets of SVHSC	<u>363,354</u>	<u>341,660</u>
Total assets limited as to use	26,053,104	24,869,863
Property and equipment, net	22,749,035	23,401,626
Bond issuance costs, net of accumulated amortization	<u>122,084</u>	<u>128,898</u>
 Total assets	 <u>\$ 57,406,774</u>	 <u>\$ 56,778,724</u>

The accompanying notes are an integral part of these financial statements

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current liabilities		
Current portion of long-term debt	\$ 405,000	\$ 390,000
Accounts payable	1,055,911	1,634,626
Salaries, wages, and payroll taxes payable	444,420	325,239
Accrued retirement plan contribution	911,690	758,637
Accrued compensated absences	1,772,799	1,571,278
Other accrued expenses	2,667,513	2,574,187
Estimated third-party payor settlements	5,710,389	3,822,055
Due to affiliate	<u>-</u>	<u>116,265</u>
Total current liabilities	12,967,722	11,192,287
Long-term debt, less current portion	9,845,000	10,250,000
Interest rate swap	<u>975,968</u>	<u>879,195</u>
Total liabilities	<u>23,788,690</u>	<u>22,321,482</u>
Commitments and contingencies (Notes 6 and 11)		
Net assets		
Unrestricted	33,161,976	34,022,445
Temporarily restricted	178,520	157,179
Permanently restricted	<u>277,588</u>	<u>277,618</u>
Total net assets	<u>33,618,084</u>	<u>34,457,242</u>
Total liabilities and net assets	<u>\$ 57,406,774</u>	<u>\$ 56,778,724</u>

BRATTLEBORO MEMORIAL HOSPITAL

Statements of Operations

Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 61,217,061	\$ 56,641,854
Less provision for bad debts	<u>3,104,068</u>	<u>2,445,479</u>
Net patient service revenue	58,112,993	54,196,375
Other revenue	<u>715,961</u>	<u>813,277</u>
Total unrestricted revenues, gains, and other support	<u>58,828,954</u>	<u>55,009,652</u>
Expenses		
Salaries, wages, and benefits	31,969,160	28,961,793
Supplies and expenses	15,014,274	13,764,228
Contracted services	6,056,804	5,803,513
Depreciation and amortization	3,306,726	3,432,736
Health care improvement tax	3,088,388	2,488,938
Interest expense	<u>278,628</u>	<u>294,240</u>
Total expenses	<u>59,713,980</u>	<u>54,745,448</u>
Operating income (loss)	<u>(885,026)</u>	<u>264,204</u>
Nonoperating gains (losses)		
Income from investments	223,927	290,121
Loss from rental activities, net of expenses and depreciation of \$457,551 and \$417,721 in 2011 and 2010, respectively	(202,505)	(172,598)
Miscellaneous income	86,910	83,894
Unrealized loss on interest rate swap	(96,773)	(308,434)
Change in net unrealized gains (losses) on investments	<u>(110,225)</u>	<u>396,881</u>
Nonoperating gains (losses), net	<u>(98,666)</u>	<u>289,864</u>
Excess (deficiency) of revenues, gains, and other support over expenses and nonoperating gains (losses)	(983,692)	554,068
Net assets transferred from SVHSC for capital expenditures	134,230	375,919
Transfer to SVHSC	<u>(11,007)</u>	<u>(16,350)</u>
Increase (decrease) in unrestricted net assets	<u>\$ (860,469)</u>	<u>\$ 913,637</u>

The accompanying notes are an integral part of these financial statements

BRATTLEBORO MEMORIAL HOSPITAL

Statements of Changes in Net Assets

Years Ended September 30, 2011 and 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances, October 1, 2009	\$ 33,108,808	\$ 320,896	\$ 276,029	\$ 33,705,733
Excess of revenues, gains, and other support over expenses and nonoperating gains (losses)	554,068	-	-	554,068
Change in net unrealized gains on investments	-	(699)	-	(699)
Investment loss	-	(40,797)	-	(40,797)
Change in interest in SVHSC	-	(122,221)	1,589	(120,632)
Transfer to SVHSC	(16,350)	-	-	(16,350)
Net assets transferred from SVHSC for capital acquisitions	<u>375,919</u>	<u>-</u>	<u>-</u>	<u>375,919</u>
Change in net assets	<u>913,637</u>	<u>(163,717)</u>	<u>1,589</u>	<u>751,509</u>
Balances, September 30, 2010	<u>34,022,445</u>	<u>157,179</u>	<u>277,618</u>	<u>34,457,242</u>
Deficiency of revenues, gains, and other support over expenses and nonoperating gains (losses)	(983,692)	-	-	(983,692)
Change in net unrealized gains on investments	-	(393)	-	(393)
Investment gain	-	10	-	10
Change in interest in SVHSC	-	21,724	(30)	21,694
Transfer to SVHSC	(11,007)	-	-	(11,007)
Net assets transferred from SVHSC for capital acquisitions	<u>134,230</u>	<u>-</u>	<u>-</u>	<u>134,230</u>
Change in net assets	<u>(860,469)</u>	<u>21,341</u>	<u>(30)</u>	<u>(839,158)</u>
Balances, September 30, 2011	<u>\$ 33,161,976</u>	<u>\$ 178,520</u>	<u>\$ 277,588</u>	<u>\$ 33,618,084</u>

The accompanying notes are an integral part of these financial statements

BRATTLEBORO MEMORIAL HOSPITAL

Statements of Cash Flows

Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ (839,158)	\$ 751,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization including rental property depreciation	3,581,099	3,683,233
Provision for bad debts	3,104,068	2,445,479
Loss on sale of property and equipment	3,835	-
Net realized gains on investments	(51,035)	(98,223)
Net unrealized losses (gains) on investments	110,618	(396,182)
Unrealized loss on interest rate swap	96,773	308,434
(Increase) decrease in		
Patient and other accounts receivable, net	(3,461,078)	(2,178,690)
Supplies inventory	40,172	(550,183)
Other current assets	10,539	(45,031)
Increase (decrease) in		
Accounts payable	(578,715)	251,778
Accrued salaries, wages and benefits	320,702	(695,008)
Due to affiliate	(227,382)	(11,151)
Other current liabilities	246,379	(26,450)
Estimated third-party payor settlements	<u>1,888,334</u>	<u>926,296</u>
Net cash provided by operating activities	<u>4,245,151</u>	<u>4,365,811</u>
Cash flows from investing activities		
Purchase of property and equipment	(2,928,079)	(3,396,344)
Proceeds from sale of property and equipment	2,550	-
Change in interest in net assets of SVHSC	(21,694)	120,632
Proceeds from the sale of investments	961,635	5,108,716
Purchase of investments	<u>(2,197,779)</u>	<u>(6,813,137)</u>
Net cash used by investing activities	<u>(4,183,367)</u>	<u>(4,980,133)</u>
Cash flows from financing activities		
Repayments of long-term debt	<u>(390,000)</u>	<u>(375,000)</u>
Net cash used for financing activities	<u>(390,000)</u>	<u>(375,000)</u>
Net decrease in cash and cash equivalents	(328,216)	(989,322)
Cash and cash equivalents, beginning of year	<u>1,467,837</u>	<u>2,457,159</u>
Cash and cash equivalents, end of year	<u>\$ 1,139,621</u>	<u>\$ 1,467,837</u>
Supplementary disclosures of cash flow information		
Cash payment for interest	<u>\$ 280,313</u>	<u>\$ 288,332</u>

The accompanying notes are an integral part of these financial statements

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

Nature of Business

Brattleboro Memorial Hospital (the Hospital) is a Vermont not-for-profit hospital. Southern Vermont Health Services Corporation (SVHSC), a not-for-profit organization, is the sole corporate member of the Hospital. The Hospital is a provider of health care services with facilities in the Brattleboro, Vermont area.

1. Summary of Significant Accounting Policies

Basis of Presentation

The Hospital's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958, all not-for-profit organizations are required to provide a balance sheet, a statement of operations, and a statement of cash flows. The ASC requires reporting amounts for the Hospital's total assets, liabilities, and net assets in a balance sheet, reporting the change in an organization's net assets in a statement of operations, and reporting the change in its cash and cash equivalents in a statement of cash flows.

ASC 958 also requires net assets and revenues, expenses, gains, and losses be classified based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a balance sheet and that the amounts of change in each of those classes of net assets be displayed in a statement of operations.

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 and 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 include certain investments in highly liquid debt instruments with original maturities of three months or less.

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.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

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. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period 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 2011, the Hospital increased its estimate from \$2,763,026 to \$3,100,416 in the allowance for doubtful accounts relating to self-pay patients. During 2011, self-pay write-offs increased from \$2,859,681 to \$3,008,216. Such increases resulted from trends experienced in the collection of amounts from self-pay patients.

Supplies Inventory

Supplies inventory are 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 (deficiency) of revenues, gains, and other support over expenses and nonoperating gains (losses) 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 and statements of operations and changes in net assets.

The Hospital adopted ASC 825, effective October 1, 2008, and has elected the fair value option relative to its investments which consolidates all investment performance activity from unrestricted investments within the nonoperating gains (losses) section of the statement of operations.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

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 Board of Directors for future capital improvements, 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 to the Hospital 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. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions 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. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the asset's estimated useful life. Such amortization is included in depreciation and amortization in the financial statements. 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 unrestricted support, and are excluded from the excess of revenue, gains, and other support over expenses and losses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Bond Issuance Costs

Costs incurred in the bond financing are capitalized and amortized over the period during which the debt is outstanding on a straight-line basis. Bond issuance costs are recorded net of accumulated amortization of \$23,849 and \$17,035 as of September 30, 2011 and 2010, respectively. Total related amortization expense for fiscal years 2011 and 2010 amounted to \$6,814.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

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, *Accounting for Derivative Instruments and Hedging Activities*, to account for its interest rate swap contract. The interest rate swap contract has not been designated as a cash flow hedge and thus is included within nonoperating gains (losses).

Temporarily and Permanently Restricted Net Assets

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

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. These retroactive adjustments resulted in an increase in net patient service revenue of approximately \$945,000 and \$1,374,000 in 2011 and 2010, 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.

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.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

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

The statements of operations include excess (deficiency) of revenues, gains, and other support over expenses and nonoperating gains (losses). Changes in unrestricted net assets, 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.

Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows for the years ended:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 47,395,848	\$ 42,901,014
General and administrative	<u>12,318,132</u>	<u>11,844,434</u>
	<u>\$ 59,713,980</u>	<u>\$ 54,745,448</u>

New Accounting Pronouncement

In July 2011, FASB amended ASC 954, *Health Care Entities*, to require health care entities to change the presentation of the statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, enhanced disclosures are required about the policies for recognizing revenues and assessing bad debts. The amendments also require disclosure of qualitative and quantitative information about significant changes in the allowance for doubtful accounts. The amendments to ASC 954 are effective for public entities for the first annual period beginning after December 15, 2011. The Hospital elected to early adopt these amendments for fiscal year ending September 30, 2011.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the current year's presentation.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, management has considered transactions or events occurring through December 7, 2011, the date the September 30, 2011, financial statements were issued. Effective December 1, 2011, the Hospital became a member of the New England Alliance for Health (NEAH), a limited liability company owned and managed by Mary Hitchcock Memorial Hospital. The Hospital is participating in this alliance of health care providers for some services.

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.
- 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>2011</u>	<u>2010</u>
Charges foregone, based on established rates	\$ <u>2,442,000</u>	\$ <u>2,098,000</u>
Estimated costs and expenses incurred to provide charity care ¹	\$ <u>1,379,000</u>	\$ <u>1,207,000</u>
Equivalent percentage of charity care services to all services	<u>2.31</u> %	<u>2.20</u> %
Number of patients receiving charity care	<u>4,767</u>	<u>4,657</u>

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

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

In addition, the Hospital incurs a payment shortfall in the treatment of Medicaid patients. This government program reimburses for medical services at less than published charges to provide those services. In 2011 and 2010, respectively, the Hospital incurred a shortfall of approximately \$5,047,000 and \$5,034,000, related to treating Medicaid patients.

The Hospital also provided other community benefits upon which no monetary value can be placed.

3. Net Patient Accounts Receivable and Net Patient Service Revenue

Net 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>2011</u>	<u>2010</u>
Patient accounts receivable	\$ 13,152,024	\$12,016,094
Other accounts receivable	606,403	621,773
Contractual allowances	(5,730,067)	(5,303,907)
Allowance for doubtful accounts	<u>(3,100,416)</u>	<u>(2,763,026)</u>
Patient accounts receivable, net	<u>\$ 4,927,944</u>	<u>\$ 4,570,934</u>

Net Patient Service Revenue

Patient service revenue, contractual and other allowances consisted of the following as of September 30:

	<u>2011</u>	<u>2010</u>
Patient services		
Inpatient services	\$ 25,795,465	\$25,458,286
Outpatient services	<u>79,934,821</u>	<u>69,747,031</u>
	<u>105,730,286</u>	<u>95,205,317</u>
Less		
Medicare and Medicaid allowances	37,513,200	32,655,070
State disproportionate share	(1,320,756)	(1,387,443)
Other contractual allowances	5,878,604	5,197,627
Charity care allowances	<u>2,442,177</u>	<u>2,098,209</u>
	<u>44,513,225</u>	<u>38,563,463</u>
Patient service revenue (net of contractual allowances and discounts)	61,217,061	56,641,854
Less provision for bad debts	<u>3,104,068</u>	<u>2,445,479</u>
Net patient service revenue	<u>\$ 58,112,993</u>	<u>\$54,196,375</u>

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. Revenue from the Medicare and Medicaid programs accounted for approximately 37% and 35% of the Hospital's net patient service revenue for the years ended September 30, 2011 and 2010, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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 fiscal year ended September 30, 2011 totaled \$61,217,061, of which \$55,130,087 was revenue from third-party payors and \$6,086,974 was revenue from self-pay patients.

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, 2007.

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. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2007.

Blue Cross

Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

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

Notes to Financial Statements

September 30, 2011 and 2010

4. Supplies Inventory

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

	<u>2011</u>	<u>2010</u>
Central storeroom	\$ 165,438	\$ 170,428
Operating room	833,090	856,135
Pharmacy	288,159	307,668
Other	<u>245,549</u>	<u>238,177</u>
	<u>\$ 1,532,236</u>	<u>\$ 1,572,408</u>

5. Investments

Investments consisted of the following as of September 30

	<u>2011</u>	<u>2010</u>
Assets limited as to use internally designated		
Cash and cash equivalents	\$ 7,407,783	\$ 10,478,836
Marketable securities	2,639,118	2,818,829
Mutual funds	1,851,177	1,485,993
Corporate bonds	1,607,248	683,750
US Treasury securities and other government securities	<u>12,091,670</u>	<u>8,967,658</u>
	<u>\$ 25,596,996</u>	<u>\$ 24,435,066</u>
Other temporarily restricted investments		
Cash and cash equivalents	\$ 56,735	\$ 56,654
US Treasury securities and other government securities	<u>36,019</u>	<u>36,483</u>
	<u>\$ 92,754</u>	<u>\$ 93,137</u>
Assets limited as to use for debt service		
Cash and cash equivalents	<u>\$ 405,014</u>	<u>\$ 390,000</u>

Unrestricted investment income and gains (losses) on investments are comprised of the following

	<u>2011</u>	<u>2010</u>
Income		
Interest and dividend income	\$ 172,892	\$ 191,898
Net realized gains on investments	<u>51,035</u>	<u>98,223</u>
	<u>\$ 223,927</u>	<u>\$ 290,121</u>
Change in net unrealized gains (losses) on investments	<u>\$ (110,225)</u>	<u>\$ 396,881</u>

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

6. Property and Equipment

As of September 30, 2011 and 2010, the cost and accumulated depreciation of depreciable assets by major classes of assets were as follows

	<u>2011</u>	<u>2010</u>
Land	\$ 45,499	\$ 45,499
Land improvements	1,642,372	1,573,845
Building and improvements	31,039,988	28,433,135
Major moveable equipment	18,219,287	17,959,955
Construction-in-progress	<u>480,128</u>	<u>1,758,074</u>
	51,427,274	49,770,508
Less accumulated depreciation	<u>28,678,239</u>	<u>26,368,882</u>
	<u>\$ 22,749,035</u>	<u>\$ 23,401,626</u>

Depreciation expense for the years ended September 30, 2011 and 2010 was \$3,574,291 and \$3,676,419, respectively. At September 30, 2010, a construction related contract of approximately \$3,000,000 existed for the renovation of Hospital facilities. The project was completed during 2011.

7. Borrowings

On February 1, 2008, the Hospital entered into a loan agreement with VEHBFA issuing \$11,180,000 in bonds (Brattleboro Memorial Hospital Project 2008 Series A). The proceeds were used to advance refund previously issued bonds. Interest on the Bonds is based on available daily rates as determined by the remarketing agent based on prevailing market conditions, not to exceed 10% per annum. The Hospital may, at any time, exercise an option to convert to an irrevocably fixed rate. No conversion will be effective unless all Bonds have been remarketed and sold. 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, 2011.

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

September 30, 2011 and 2010

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

	<u>2011</u>	<u>2010</u>
Series 2008 A Revenue Bonds with variable rate interest per daily remarketing (0 15% at September 30, 2011) handled by the remarketing agent, payable in annual installments ranging from \$405,000 in 2012 to \$770,000 in 2029	\$ <u>10,250,000</u>	\$ <u>10,640,000</u>
	10,250,000	10,640,000
Less current portion	<u>405,000</u>	<u>390,000</u>
Total long-term debt, excluding current portion	\$ <u>9,845,000</u>	\$ <u>10,250,000</u>

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

2012 (included in current liabilities)	\$ 405,000
2013	420,000
2014	435,000
2015	455,000
2016	470,000
Thereafter	<u>8,065,000</u>
	<u>\$10,250,000</u>

Letter of Credit

While interest on the Bonds accrues on a daily variable rate, the Hospital is required to maintain a credit facility in an amount not less than the principal amount of the outstanding Bonds plus accrued interest for 35 days at the maximum interest rate. To comply with this requirement, the Hospital has obtained an irrevocable direct pay letter of credit from TD Bank (Bank) in the amount of \$11,287,206. The letter of credit expires on March 31, 2018. The Hospital is required to pay the Bank quarterly commitment fees at the rate of 0 45% of the available amount of the outstanding bonds as defined in the agreement. Interest on drawings is paid at 0% to 1% per annum, plus the base rate depending on the number of days the drawing is outstanding. The base rate is the Wall Street Journal's prime rate. Upon issuance of the letter of credit, the Hospital was required to pay an issuance fee in the amount of \$13,057. This fee is included in bond issuance costs in the balance sheet and is being amortized on the straight-line method over the term of the letter of credit agreement through a charge to interest expense.

Interest Rate Swap

In connection with the issuance of the 2008 Hospital Revenue Bonds, the Hospital entered into an interest rate swap agreement for 15 years for \$6,996,000, or 60% of the original bond issue, for the first 15 years of the bond issue to hedge the interest rate risk associated with the 2008 Hospital Revenue Bonds. The interest rate swap agreement requires the Hospital to pay a bank, the swap counterparty, a fixed rate of 3 30% in exchange for the counterparty's payment to the Hospital of a variable rate based on 68% of the LIBOR rate.

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Notes to Financial Statements

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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 in effect 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 in effect 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 sole right to terminate the swap agreements should the need arise. The Hospital recorded the swap at its liability position of \$975,968 at September 30, 2011.

Line of Credit

The Hospital has an unsecured line of credit totaling \$1,000,000 with a local bank. Interest on borrowings is charged at the Wall Street Journal prime rate (3.25% at September 30, 2011). There were no outstanding balances on the line as of September 30, 2011 and 2010, respectively.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30

	<u>2011</u>	<u>2010</u>
Auxiliary programs	\$ 54,278	\$ 54,224
Time restriction - Life Income Trust	38,475	38,913
Charity care	29,729	29,858
Other Programs	54,679	32,819
Capital acquisition	<u>1,359</u>	<u>1,365</u>
	<u>\$ 178,520</u>	<u>\$ 157,179</u>

Permanently restricted net assets are made up of the following at September 30

	<u>2011</u>	<u>2010</u>
Income restricted for		
Medical library	\$ 1,028	\$ 974
Capital	18,720	18,804
Income unrestricted	<u>257,840</u>	<u>257,840</u>
	<u>\$ 277,588</u>	<u>\$ 277,618</u>

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

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9. 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, 2011 and 2010, was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	34 %	34 %
Other third-party payors	19	21
Patient	25	21
Blue Cross	11	12
Medicaid	<u>11</u>	<u>12</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.

10. 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 as of September 30:

	<u>2011</u>	<u>2010</u>
Disproportionate share	\$ 1,320,756	\$ 1,387,443
Medicaid assessment expensed	<u>3,088,388</u>	<u>2,488,938</u>
	<u>\$ (1,767,632)</u>	<u>\$ (1,101,495)</u>

11. Commitments and Contingencies

Self-Funded Insurance Plans - The Hospital is self-insured with respect to health care coverage. This coverage is used to provide medical health benefits to its eligible employees and their eligible dependents. Unpaid claims have been recorded as a liability and are included in other accrued expenses in the balance sheet.

The Hospital is also partially self-funded for its workers' compensation policy. The accompanying financial statements include an accrual for management's estimate for claims incurred, but not reported, in other accrued expenses in the balance sheets.

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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 established reserves in the amount of \$5,000 for deductibles as of September 30, 2011 and 2010. The Hospital has also created a tail coverage reserve in the event that insurance providers are changed. This reserve was \$1,110,513 and \$763,376 for the years ended September 30, 2011 and 2010, respectively. The possibility exists, which is a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital. As of September 30, 2011 and 2010, no such claims were known to exist.

Physician Agreements - The Hospital has entered into financing agreements with various recruited physicians, which guarantee a minimum amount of cash flow per contract year for each physician. The Hospital agrees to pay to the physician the amount, if any, by which the physician's personal service income earned in the contract is less than the cash flow defined in the agreement. Certain agreements include forgiveness of debt based upon length of service requirements. The Hospital has outstanding commitments on these guarantees with various physicians of approximately \$500,000 as of September 30, 2011 and 2010. The net amount advanced and receivable on these guarantees as of September 30, 2011 and 2010 is \$217,472 and \$274,374, respectively, and is included in other accounts receivable in the financial statements.

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

12. Related Party Transactions

The Hospital contracts with SVHSC for management services. The Hospital recorded \$2,250,000 and \$2,275,200 in management service expenses in 2011 and 2010, respectively. As of September 30, 2011 and 2010, the Hospital had a receivable from and owed SVHSC \$111,117 and \$116,265, respectively, for management services and other expenses.

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 beneficiary.

13. Fair Value Measurements

FASB ASC 820 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.

BRATTLEBORO MEMORIAL HOSPITAL

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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

	Fair Value Measurements at September 30, 2011		
	<u>Total</u>	Quoted Prices In Active Markets for Identical Assets (Level 1) <u>(Level 1)</u>	Significant Other Observable Inputs (Level 2) <u>(Level 2)</u>
Assets			
Investments			
Cash and short-term investments	\$ 7,407,783	\$ 7,407,783	\$ -
Corporate bonds	1,607,248	-	1,607,248
US Treasury obligations and government securities	12,091,670	12,091,670	-
Marketable securities			
Materials	342,954	342,954	-
Industrials	193,756	193,756	-
Consumer discretionary	196,350	196,350	-
Consumer staples	320,292	320,292	-
Financials	292,447	292,447	-
Healthcare	235,521	235,521	-
Information technology	503,449	503,449	-
Foreign	366,066	366,066	-
Other	188,283	188,283	-
Total marketable securities	<u>2,639,118</u>	<u>2,639,118</u>	<u>-</u>
Mutual funds			
Equity	515,901	515,901	-
Fixed income	396,277	396,277	-
Index	938,999	938,999	-
Total mutual funds	<u>1,851,177</u>	<u>1,851,177</u>	<u>-</u>
Total assets	<u>\$ 25,596,996</u>	<u>\$ 23,989,748</u>	<u>\$ 1,607,248</u>
Liabilities			
Interest rate swap	\$ 975,968	\$ -	\$ 975,968
Total liabilities	<u>\$ 975,968</u>	<u>\$ -</u>	<u>\$ 975,968</u>

BRATTLEBORO MEMORIAL HOSPITAL

Notes to Financial Statements

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	Fair Value Measurements at September 30, 2010		
	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Assets			
Investments			
Cash and short-term investments	\$ 10,478,836	\$ 10,478,836	\$ -
Corporate bonds	683,750	-	683,750
US Treasury obligations and government securities	8,967,658	8,967,658	-
Marketable securities			
Materials	425,300	425,300	-
Industrials	240,278	240,278	-
Consumer discretionary	243,495	243,495	-
Consumer staples	397,197	397,197	-
Financials	362,666	362,666	-
Healthcare	292,072	292,072	-
Information technology	624,331	624,331	-
Other	233,490	233,490	-
Total marketable securities	<u>2,818,829</u>	<u>2,818,829</u>	<u>-</u>
Mutual funds			
Equity	453,961	453,961	-
Institutional	99,300	99,300	-
Index	932,732	932,732	-
Total mutual funds	<u>1,485,993</u>	<u>1,485,993</u>	<u>-</u>
Total assets	<u>\$ 24,435,066</u>	<u>\$ 23,751,316</u>	<u>\$ 683,750</u>
Liabilities			
Interest rate swap	\$ 879,195	\$ -	\$ 879,195
Total liabilities	<u>\$ 879,195</u>	<u>\$ -</u>	<u>\$ 879,195</u>

The fair value of Level 2 assets and liabilities is primarily based on quoted market prices of comparable securities, 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.

The Hospital's financial instruments consist of cash and cash equivalents, marketable securities, trade accounts receivable and payable, estimated third-party payor settlements, and long-term debt. The fair values of all financial instruments approximate their carrying values at September 30, 2011.

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14. 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, 2011 and 2010 was \$872,649 and \$861,858, respectively.

Effective January 1, 2009, the Hospital established 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 will match 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. The Hospital has recorded a liability for this matching contribution of \$94,496 and \$84,726 for the years ended September 30, 2011 and 2010, respectively.